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1939

UNION OF SOUTH AFRICA

REPORT

OF THE

DEPARTMENT OF LABOUR

For the Year ended 31st December, 1939

WITH WHICH ARE INCLUDED THE REPORTS OF

THE WAGE BOARD, THE CHIEF INSPECTOR OF FACTORIES, THE CENTRAL AUTHORITY, UNEMPLOYMENT BENEFIT ACT,

AND

THE WORKMEN'S COMPENSATION COMMISSIONER

Issued by Authority

Price 8s.

PRINTED IN THE UNION OF SOUTH AFRICA BY THE GOVERNMENT PRINTER, PRETORIA
1940

No. 36, 1940
—1940—900.
ng: £195. 11s. 11d.

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THE HONOURABLE THE MINISTER OF LABOUR.

I have the honour to present the Report of the Department of Labour for the calendar year 1939.

IVAN L. WALKER,
Secretary for Labour.

UNION BUILDINGS,
PRETORIA, 15TH JULY, 1940.

FOREWORD BY THE SECRETARY FOR LABOUR.

One of the difficulties associated with writing a report of this nature is that by the time the available material has been collected and put into readable form much of the information is already out of date. It has, therefore, been my practice, in writing the Foreword, not to confine myself to the year to which the report relates but to deal with subsequent developments and with the effect of such developments on Departmental policy and activities. On this occasion, the greater portion of the Foreword will be devoted to the effect of the war on the Department's work, and the extent to which the Department has been able to assist in strengthening South Africa's capacity to participate effectively.

APPOINTMENT OF MINISTER.

On the formation of a new Government, following the declaration of war against Germany, the Hon. H. G. Lawrence, K.C., M.P., relinquished the Labour Portfolio and was succeeded by the Hon. W. B. Madeley, M.P.

INDUSTRIAL LEGISLATION.

Notwithstanding the administrative difficulties inevitably connected with a state of war, the Department of Labour has so far been able to continue its normal activities. The position in regard to industrial legislation has, however, become particularly difficult owing to the fact that additional responsibilities under recently adopted legislation have been assumed, without any increase in staff. Two measures adopted by Parliament during the 1939 Session, viz. the Shops and Offices Act and the Electrical Wiremen and Contractors Act, were brought into operation with effect from the 1st January, 1940. The former Act represents a most important advance in industrial legislation, providing as it does for the control of conditions of employment in every shop in the Union. We cannot say with any degree of accuracy how many employees benefit under its provisions, but the figure must be in the neighbourhood of 75,000, making due allowance for the fact that the majority of shop assistants in the principal urban areas are automatically excluded from its provisions by virtue of the existence of a Wage Act Determination for the Commercial Distributive Trade. Unfortunately, adequate enforcement of the Shops and Offices Act is at present out of the question. The Department's inspectorate is concentrated in the urban areas, and there had previously been little occasion for the Department to organize its inspection staff on a basis suitable for detailed investigation work in rural areas. Under normal circumstances, therefore, it would have been deemed essential to increase the inspectorate substantially in order to cope effectively with the problems presented by the responsibility for enforcing the Shops and Offices Act, and the Department proposed recommending to the Public Service Commission the creation of 25 new posts of industrial inspector, which was regarded as the minimum number necessary. When war broke out, it became necessary to restrict departmental activities as far as possible, and the new measures had therefore to be put into operation without any additions to the inspection staff. While this hampers enforcement, particularly when it is borne in mind that the majority of the employers and employees concerned have had no experience of industrial legislation, the position is to some extent relieved by the fact that Section 14 of the Act gives all police officers the powers of inspectors. Cases have come to the Department's notice where police officers have investigated complaints and instituted proceedings against offenders. It is feared, however, that few shop assistants in small towns or rural areas will take the initiative in reporting possible contraventions of the law, and the question of appointing an adequate inspection staff is one which must necessarily engage the Department's attention as soon as circumstances are again normal. Enforcement of the substantive provisions of the Act, dealing with hours of work, paid leave, etc., is not the only point at issue: there are provisions relating to such matters as sanitation, ventilation and lighting in shops, which only come into operation upon the publication of appropriate regulations. Under present conditions, these provisions must remain dormant.

Wage Regulation.

There has been no restriction of the Department's activities under the Industrial Conciliation and Wage Acts; indeed, it will be seen from the statistics published in Chapter III that there has been a substantial increase in the number of workers whose conditions of employment are regulated under industrial council agreements and wage determinations. The maintenance of industrial peace, important in peace time, is essential when the country is at war, and it is therefore of the greatest importance that there should be no thought of curtailing departmental activities under the wage regulating measures which have brought about the present very satisfactory relations between employers and employees. The manner in which the industrial conciliation machinery preserves peace in industry is illustrated by the fact that a number of new or supplementary industrial council agreements, providing for the payment of allowances to meet any appreciable increase in the cost of living, have recently been negotiated without giving rise to any suggestion of industrial trouble.

Wages of Unskilled Workers.

From time to time, reference has been made in annual reports to the policy which is being pursued in regard to unskilled wage rates, viz. the gradual raising of the minimum wage rates prescribed for this class of worker in wage determinations and industrial council agreements, as and when opportunity offers. Apart from the fact that this policy has been consistently applied, there is nothing further to report in this connection, but a reference should perhaps be made to a resolution moved in the House of Assembly on the 26th May, 1939, requesting the Government, *inter alia*, to raise the rate of pay of unskilled European labourers to a level which will enable them adequately to satisfy the requirements of their families. In replying to the motion, the Minister of Labour reiterated the Government's policy in regard to unskilled wage rates, and pointed out that that policy was based on the recommendations of the Industrial Legislation Commission. The debate on the motion was adjourned and no opportunity occurred to resume it before termination of the session.

Unemployment.

One of the first public actions of the Minister of Labour after the formation of the present Government was to issue a warning and an appeal to those employers who were inclined to "panic" after the declaration of war. Information reached the Department regarding the dismissal of employees and the restriction of activity by firms which took an unnecessarily pessimistic view of the situation, and all Divisional Inspectors of Labour were instructed to keep a close watch on the position. Exaggerated reports on the extent of unemployment due to the war were published in some newspapers, and in the initial stages the Department's endeavours to counter this propaganda were hampered by the fact that, in the absence of compulsory registration, some unemployed persons, especially those belonging to the class of clerical workers of skilled tradesmen, did not register at departmental employment exchanges. In certain quarters great play was made with the alleged large number of unemployed persons not recorded on the Department of Labour's books. A compulsory registration scheme was prepared by the Department for consideration by the Government, as it was feared that lack of complete records would hamper the Department in dealing with the readjustment of labour necessitated by war conditions. Fortunately, it proved unnecessary to adopt compulsion. With the assistance of the more responsible sections of the Press and of public men, local authorities, and trade unions, the necessity for registration was brought home to the large majority of unemployed persons, and the Department's registration figures rose accordingly. Actually, there was very little additional unemployment that could be attributed directly to the slackening of business activities as a result of the war. Most seriously affected were the Building Industry, the Furniture Manufacturing Industry and the Motor Trade, but it should be noted that the factors operating against these industries had made their influence felt before the outbreak of hostilities. The business of tourists firms and agents for enemy shipping and goods came practically to a standstill, and concerns of this sort were obliged to retrench on a large scale, or to close down altogether. The total number of employees affected was, however, comparatively small.

At an early stage the Prime Minister and the Minister of Labour sought to impress upon industrialists the unwisdom of retrenching employees because the war had resulted in a slight immediate reduction of industrial activity in certain directions. The lesson they endeavoured to drive home, viz. that when industry had adjusted itself to the requirements of a country at war, employers would regret not having retained skilled workers, is to-day fully appreciated by all concerned. The requirements of the Union's Defence Forces have placed a severe strain on the available labour supply, and South Africa's labour problem to-day is not unemployment, but the shortage of technical workers for both military and civil employment. The steps taken to deal with both aspects of the problem are detailed hereunder.

Co-opperation with Trade Unions and Employers' Organizations.

At the outset of the war, the Government recognized the importance of ensuring the co-operation of industry in the conduct of the war. On the 4th October, a deputation from the S.A. Trades and Labour Council interviewed the Prime Minister, the Minister of Labour and Social Welfare also being present. The deputation intimated that the trade union movement would co-operate with the Government in the present emergency, and the Prime Minister expressed the Government's intention to keep in touch with the trade unions and to consult them from time to time on developments affecting their interests. The understanding arrived at on the occasion of this interview has been carried out in practice, and trade union representatives have on many occasions been able to assist the Government with advice on labour matters arising from the war. Similar cordial relations have been maintained with employers' organizations.

Emergency Labour in the Engineering Industry.

In order to meet the requirements of the Defence Force, a substantial speeding up of armament and munitions production in South Africa became necessary, and at an early stage discussions took place with the trade unions in the engineering industry in regard to the question of labour. Officials of the Department of Labour met the Mechanics' Unions' Joint Executives on the 11th October, 1939, and it was clear that the representatives present realized that the industry would have to develop new methods, involving the introduction of labour from outside the industry, in order to be able to meet war requirements. The meeting unanimously approved in principle the proposals put forward by the Department, and a detailed agreement was subsequently arrived at by the Industrial Council for the Iron and Steel Manufacturing and Engineering Industry (Transvaal). The following were the principal provisions of the agreement :—

> Emergency labour may be used for the production of munitions and war supplies, or to enable the Industry to continue its normal or expanded services to the country generally.
>
> Applications for employment as emergency workers shall be invited in the first instance from unemployed artisans in other industries, preferably from workers in trades which have some affinity to the operations they will be required to perform.
>
> The employment of emergency workers is subject to the principle that all available skilled men shall be absorbed, even if this necessitates the displacement of emergency workers taken into the Industry from time to time.
>
> It is agreed in principle that an emergency worker who has worked for an aggregate period of three years shall thereafter be entitled to the wage laid down for a journeyman.

It is as yet too early to say whether this arrangement will adequately meet all requirements. I know that there are staunch trade unionists who, remembering their experience of "diluted" labour in England during and after the last war, are dubious as to the wisdom of permitting the infiltration of semi-skilled labour into the skilled trades. It must be emphasized, however, that South Africa's increasing participation in the manufacturing side of the engineering industry during recent years had already resulted in the creation of a large number of semi-skilled occupations in the industry, and the introduction of emergency labour does not, therefore, constitute an entirely new departure. Moreover, the safeguards embodied in the agreement described above seem to be sufficient to protect the position of skilled tradesmen. Apart from these factors, the trade unions have realized that in the present emergency the primary consideration must be the best method of making the maximum possible contribution to South Africa's war effort.

Training of Technical Workers for Defence Force Purposes.

The conditions under which warfare is waged to-day necessitate the services of large numbers of technicians to maintain the numerous mechanized weapons of war used by the modern army. In organizing her defence measures, South Africa has not lost sight of this important factor, and the War Supplies Directorate collaborated with the Department of Labour in devising a scheme to train the thousands of men needed for this purpose. In a very short space of time, the Basic Technical Training Scheme was put into operation, and a large number of men are at present being trained for technical war work at the principal centres in the Union. The actual tuition has been undertaken by the Technical Colleges. This training scheme offers a unique opportunity to men who, owing to distance from the industrial centres or for other similar reasons, have not had the opportunity of serving an apprenticeship.

When devising the scheme, the Departmental officials concerned kept in mind the necessity of providing suitable employment for the men concerned when the war is over. The trade unions and employers concerned were therefore consulted, and approved the scheme. The period of basic training ordinarily lasts six months. During this period, trainees are given physical instruction and are trained in such subjects as Welding and Fitting, with a view to their being employed in specialized military trades in the Artillery, Air Force, Mechanical Transport, and other technical branches of the Union Defence Forces. The rate of pay during the training period is 21s. a week, plus another 21s. for board and lodging, and trainees from outside districts are assisted in obtaining suitable accommodation under comfortable conditions. In addition, married men receive allowances based on the size of their families. Successful applicants are required to sign an undertaking to serve the Union Government, in either a military or a civil capacity, for a period of four years after completion of basic training, or the duration of the war. In the case of military employment, they are paid the rates applicable to technical personnel. Men employed in a non-military capacity are classified as technical workers and are paid not less than 1s. 9d. per hour. Qualified journeymen, are, of course, paid the rates applicable to their trade, and technical workers employed in occupations for which wage rates are fixed in Industrial Council Agreements are paid the Agreement rate, subject to a minimum of 1s. 9d. an hour.

This scheme is the most important development in the field of technical training since the adoption by Parliament of the Apprenticeship Act in 1922. Its value as part of South Africa's defence system is hardly more important than the opportunity it offers to some thousands of South Africans to acquire a degree of technical skill which will stand them in good stead throughout their lives. Upon termination of hostilities, men who have satisfactorily served in a technical capacity, after going through the Basic Technical Training Course, will under normal circumstances be able to take their place as skilled operatives in industry. It does not follow that they can all expect highly-paid jobs as journeymen after the war, but there are numerous occupations in the " heavy " industries, commanding good pay, for which their training and experience will qualify them. The progress of the scheme will be watched with interest, and it is not unlikely that it will yield results which will permanently affect South African policy in regard to the training of skilled workers for industry.

Position of Natives under Industrial Legislation.

Natives were totally excluded from the operation of the first Industrial Conciliation Act, passed in 1924, but experience soon showed that in regulating wages and other conditions of employment, it was not practicable to act as though one section of the workers in industry had no existence. It was found, for instance, that unscrupulous employers were able to defeat the operation of the Act by employing natives, to whom its provisions were inapplicable, in the place of other classes of workers whose employment was subject to conditions laid down under the Act. It was, therefore, found necessary to modify the original attitude towards the native worker, and the Act was amended in 1930 so as to enable the provisions of any industrial council agreement, in respect of minimum wage rates and maximum hours of work, to be applied to native workers. This limited power of extension proved inadequate, and when the Act was redrawn, in 1937, it was laid down that all the provisions of an industrial council agreement could be applied to native workers, who were, however, still excluded from the definition of " employee " under the Act. By reason of this exclusion, native workers are unable to form or to belong to a trade union registrable under the Act, but this has not prevented the formation of workers' organizations the membeship of which is entirely or mainly native, and which are in all vital respects the counterpart of registered trade unions. Public attention was focussed on the position of the native worker by a motion introduced into Parliament during the 1939 session, urging that, in the interest of all workers, African native workers should be brought within the scope of the industrial conciliation machinery on the same terms as other workers. The motion was rejected, after the Minister of Labour (the Hon. H. G. Lawrence) had intimated that Government could not accept it. In the course of a statement of the Government's policy on this subject, the Minister emphasized the steps which were being taken by the Department, in accordance with the recommendations of the Industrial Legislation Commission, to raise the wage levels of all unskilled workers, irrespective of race. Reference was also made during the debate to the consultations which were taking place between the Departments of Labour and Native Affairs, and interested organizations, in regard to the possibility of introducing a system of non-statutory official recognition of native workers' organizations complying with certain prescribed requirements. (Unfortunately, this matter has not yet been brought to finality.)

The exclusion of natives from the definition of " employee " under the Industrial Conciliation Act is frequently given an exaggerated importance. In fact, this exclusion makes little practical difference, its main effect being merely to close one particular channel of activity to natives, viz. that of statutory trade union activity. By reason of this disability, natives cannot become members of, or be directly represented on, such bodies as industrial councils or conciliation boards, but in practice they enjoy most of the benefits of industrial legislation. There are quite a number of native " trade unions " in existence which, although not entitled to registration under the Industrial Conciliation Act, can and in most cases do take active steps to protect their members' interests. Under Section 25 of the Wage Act, members of such organizations are protected against victimization in their employment, and they are also able to set the machinery of the Wage Act in motion by applying for a Wage Board investigation under Section 4 (1) (*b*) (ii) of the Act. Determinations made under the Wage Act apply to all the workers concerned, irrespective of race and colour. There is not even the formal obstacle of exclusion from the definition of " employee," as in the case of the Industrial Conciliation Act. In fact, large numbers of native workers have had their conditions of employment appreciably improved by recent wage determinations. It is open to question whether by their own unaided efforts under the Industrial Conciliation machinery, they would have been able to obtain conditions better than or even as favourable as those laid down under the Wage Act or under the many industrial council agreements which affect native workers. In order to dispel any fear that the interests of natives or other unrepresented workers may be overlooked when industrial councils negotiate agreements, the Act makes provision for inspectors of the Department of Labour to attend industrial council meetings, and to take part in the discussions, whenever matters affecting the interests of such workers are under consideration. Extensive use has been made of this provision, and in addition the head office of the Department of Labour keeps a vigilant watch for any action on the part of an industrial council which might adversely affect workers who are not members of the parties to the council. All industrial councils to-day recognize the desirability of looking after the interests of unrepresented workers, and the majority of the councils co-operate whole-heartedly with the Department in this matter.

Finally, it should not be forgotten that the provisions of the Industrial Conciliation and Wage Acts in regard to the recovery of underpayments apply to natives as well as to other races, and considerable sums of money are collected from employers in respect of underpayments affecting native employees.

All these measures ensure that the urban native worker is not denied the practical benefits of wage regulation. His exclusion from the definition of " employee " under the Industrial Conciliation Act is based, not on a desire to deprive him of those benefits, but on grounds which have their roots in the history of this country and in the wider issue of native policy generally.

Industrial Relations.

As indicated in Chapter III of the Report, no important stoppages of work occurred in 1939, and the position in regard to the maintenance of industrial peace is very satisfactory indeed. It is perhaps advisable to lay stress on the fact that this state of affairs can only continue to exist if employers and employees evince a spirit of co-operation, and above all adhere to agreements entered into. I emphasize this point because a strike for higher wages recently occurred in the clothing industry in Johannesburg, during the currency of an industrial council agreement, notwithstanding the fact that employers and employees were parties to an undertaking that no strike or lock-out would take place while such an agreement was in operation. It is clear that the whole conciliation machinery established under the Industrial Conciliation Act must fail to attain its purpose if reliance cannot be placed on the undertakings given by one side or the other. A state of chaos will supervene if either side is prepared to disregard written agreements whenever circumstances suggest that there is the possibility of gaining an advantage by such action. Any benefits obtained in this way will in the long run be countered by the fact that such methods undermine stability and, by bringing the whole of the conciliation machinery into disrepute, endanger the very satisfactory position that responsible trade unions have succeeded in building up in the course of years. The Department too must give serious consideration to its future policy in respect of agreements submitted for publication under the Act by industrial councils to which trade unions or employers' organizations guilty of this type of conduct are parties.

Advisory Council of Labour.

The fourth meeting of the Advisory Council of Labour was held in Pretoria on the 8th January, 1940, under the chairmanship of the Minister of Labour, the Hon. W. B. Madeley.

The Council discussed the legislative measures which were being prepared for submission to Parliament, viz. the Apprenticeship Bill, the Factories and Machinery Bill the Workmen's Compensation Bill and a Bill to amend the Unemployment Benefit Act. Memoranda on all these measures had been circulated to members, and many valuable suggestions were made in the course of discussion.

The only formal resolution taken was in regard to workmen's compensation. It was agreed that the Council, on the facts presented to it, and having regard to the understanding that the system of insurance by commercial companies would be reviewed after the lapse of three years, approved the principle of altering the basis of the law from insurance by commercial companies to a State mutual scheme. A recommendation to this effect was also the principal feature of the report of the Select Committee of the House of Assembly which investigated the operation of the Workmen's Compensation Act during the 1940 session. The legislation necessary to give effect to this recommendation is at present being drafted for consideration by the Government. Of the other measures submitted to the Advisory Council of Labour, the Apprenticeship Bill and the Unemployment Benefit Amendment Bill were introduced during the 1940 session, and the former was given a second reading, but circumstances did not permit of either measure being taken through all stages, nor was it possible to introduce the Factories and Machinery Bill. Like the Apprenticeship Bill, the last-mentioned measure will replace the existing Act, and is intended to bring the law into line with modern conditions in industry.

An interesting and informative discussion took place at the meeting of the Council in regard to the shortage of farm labour, and it was decided to recommend that the Ministers of Labour, Native Affairs, and Agriculture should co-operate in calling a conference of all concerned to consider the whole matter.

Staff.

From what has already been said, it will be clear that while the volume of work is expanding, there is no possibility of the staff being increased to meet the additional calls. Indeed, the Department has only recently arranged to release a substantial number of men for full-time military service, and although some temporary assistance will be engaged, it is quite impossible to replace all the released officers by this means. In the circumstances, additional calls must inevitably be made on the remaining members of the staff, and women officers are being afforded the opportunity of substituting for their male colleagues. In the light of past experience, I have every confidence that the officers concerned will respond to the needs of the situation.

Before concluding this Foreword, I should like to mention the Department's regret at losing the services of Mr. R. Beattie, Divisional Inspector of Labour at Cape Town, who retired from the Public Service on superannuation on the 14th October, 1939, after a long period of service to the Department, and of Miss E. B. Winter, Inspector of Factories, who retired on the 8th November.

CHAPTER I.

UNEMPLOYMENT RELIEF MEASURES.

1. SURVEY OF EMPLOYMENT POSITION.

A further marked improvement in the economic conditions in the Union, as well as considerably increased industrial activity, was reflected during the major portion of the year 1939. The unsettled international situation appeared to make almost negligible inroads on the wave of prosperity which has been a feature of the Union's economic progress during the past few years. Only with the actual outbreak of hostilities was there the inevitable sign of financial stringency and a curtailment in many directions in business and industrial enterprise. In many industries the war decline appears to have been only a temporary phase, and normal conditions were reported before the close of the year. Until September, in the majority of the more important industrial undertakings, practically all the skilled labour available was employed, and in secondary industries there was likewise consistent development. While the increase in gold mining activities had the natural effect of stimulating the general industrial position, thus affording increased avenues of employment, particularly for skilled workers, the Department was faced with the difficulty of finding suitable employment for the untrained, unskilled European, and for the semi-fit. This class of person comes into direct competition with the Native labourer, whose lower standard of living, lower wages, and general aptitude for hard manual toil, make him a serious competitor for the unskilled work offering. By its policy of employing civilised labour on its various works and schemes and encouraging the adoption of a similar policy by public bodies, local authorities and in private employment, the Government has endeavoured to reduce the handicap under which the European labourer, and to a lesser extent the coloured worker, is placed.

The improvement in economic conditions so discernible in the larger industria centres has been reflected to a lesser degree in rural areas, as will be seen from the statistics contained in this report. Over the preceding six years the average number of unemployed European adult males registered in urban and rural areas has decreased from 7,325 and 6,665 to 788 and 3,969 respectively.

While in previous years unemployment and distress were mainly counteracted by the introduction of subsidised and other temporary relief works, which, at best, could only be regarded as palliative measures, the favourable employment position has enabled the Government to give attention to the development of National Works of a more permanent nature on which the task of rehabilitating many of the backward and submerged section of the community has been assiduously pursued. It is noteworthy that the Department was in the fortunate position during the period under review of being able to offer work to every able-bodied adult European male who was in need of assistance and who was willing to accept unskilled labouring work on such schemes. As a matter of fact towards the end of the year, large numbers of men were required for Irrigation and Railway Construction Works, and the greatest difficulty was experienced in securing the required labour force. The various Defence units absorbed numbers of men, and the problem of securing labour for the works above referred to was undoubtedly accentuated thereby.

With the outbreak of war during September, there was an almost immediate retrenchment of staffs by many firms. While the opportune appeal of the Hon. the Minister did much towards halting and reducing this "war-retrenchment" the Department was faced with a serious problem which was, fortunately, considerably alleviated by the demand for all classes of labour by the Department of Defence in its wide and varied war measures and the return to normal of many of the businesses referred to.

In December, 1939, the total number of European labourers employed on works subsidised by the Department, or conducted without subsidy by Government Departments (including the Railway Administration) was 38,204, representing a decrease of 1,121 as compared with the figures at the end of the previous year.

The subjoined table gives detailed figures and includes particulars in respect of Coloured labourers :—

Class of Work.	Number Employed.			
	December, 1938.		December, 1939.	
	European.	Coloured.	European.	Coloured.
1. *Subsidized Works.*				
Government Departments (including all anti-soil erosion works)	4,429	105	4,586	72
S.A. Railways and Harbours	808	—	540	—
Provincial Administrations and Divisional Councils	732	351	202	208
Municipalities	2,189	369	2,122	396
Private Employers	331	8	252	7
Totals	8,489	833	7,702	683
2. *Non-subsidized Works.*				
Government Departments	8,195	1,773	7,452	2,213
S.A. Railways and Harbours	18,961	7,846	19,010	7,780
Provincial Administrations	3,680	307	4,040	312
Totals	30,836	9,926	30,502	10,305
Grand Totals	39,325	10,759	38,204	10,988

Detailed statistics will be found at the end of this Chapter.

Principal features of the unemployment position in the inspectorates indicated are reflected in the following extracts from the annual reports of the Department's Divisional Inspectors of Labour :—

Johannesburg.—During the year the demand for skilled men in the engineering, mining and clothing industries was consistent. Until the outbreak of war, the building industry was in a sound position, after which time there was a general retrenchment of staffs. In the furniture industry short-time was being worked prior to the outbreak of hostilities when the position became worse.

While there was a sufficiency of work for unskilled fit men during the year, the Rand applicants showed much reluctance towards accepting employment on State schemes situated any distance from their homes.

With the liberal subsidies available there has been a fair amount of employment available for semi-fit men.

During the year there was an increase in the number of women registering for work, as compared with the previous year. The "placements" were appreciably less during this period, due primarily to the international situation and the reduction of staffs.

Pretoria.—The employment position during the year showed a steady tendency towards improvement until towards the end of this period the local labour supply proved inadequate to meet the demand, particularly from contractors carrying out building work for the Department of Defence. It accordingly became necessary to import a number of men from the Rand to fill the vacancies. The various Defence units, moreover, covering a wide and varied field of employment, absorbed numbers of men, including many artisans, while a number of clerical workers was also engaged.

Cape Town.—The employment position was satisfactory throughout the year, although the outbreak of war caused a temporary set-back in certain industries, which, however, recovered, and during the last quarter of the year artisans in several trades, particularly engineering, were at a premium. The furniture industry was below normal, but showed an upward tendency towards the end of the year. The building industry remained steady throughout this period. Considerable reluctance continued to be shown by unskilled applicants towards proceeding to national works away from their homes.

Port Elizabeth.—Despite the insecurity and anxiety which resulted from rumours of the possibility of war in the first part of the year and the eventual outbreak of hostilities, business during 1939 proved slightly better than during the previous year.

In the motor manufacturing industry one firm reported business during the year as being slightly below the previous year, but in the case of another firm considerably more workers were employed during the period under review.

While the position in the milling, fruit canning and sweet manufacturing industries showed little or no change, an improvement in the battery manufacturing, cement, printing, chemical, furniture, clothing, engineering, leather and tyre manufacturing industries was noticeable. There was an abundance of employment for fit men on national works and in the various Defence units.

East London.—The year under review was a distinct improvement on the previous year so far as the employment position was concerned, and there was an abundance of work for fit men on national schemes. While in the early stages of the war industries appeared to have encountered a setback, and there was some unemployment in the building, furniture and motor engineering industries, the initial dislocation adjusted itself, and the employment position at the close of the year was very satisfactory.

Durban.—During the period prior to the outbreak of war, the employment position could be regarded as normal. Immediately thereafter, however, there was a minor panic and many industries, particularly the building, motor, engineering and furniture industries, as well as a number of shipping and indenting firms curtailed business and reduced staffs. After the first shock, however, the position rapidly improved, and at the close of the year the position in most industries, excepting building and furniture manufacturing, could be regarded as normal. Defence Force units, moreover, absorbed a number of men and, with the work offering on national schemes, the employment position could be considered satisfactory.

Bloemfontein.—From investigations instituted, it was ascertained that the war had not affected the unemployment position to any appreciable extent. The building industry was fairly busy during the year, while the furniture industry worked at full capacity until September, when the position was temporarily disturbed by the closing down of one of the larger factories. The artisans retrenched were, however, soon absorbed by other firms. Towards the close of the year there was a slight falling off in business. The position in the motor industry remained normal until the end of the year, when there was an increased demand for artisans. There was a sufficiency of work available for unskilled labourers.

Kimberley.—The lack of industries at this centre accentuates the dependence of Kimberley on the diamond mining industry. Irrigation, Railway and National Road Works absorbed most of the fit unemployed of this centre, which, however, received a bad set-back towards the close of the year as a result of the decision of the De Beers Consolidated Mining Company, Limited, to close one of the local mines. Arrangements were being made at the end of the period under review to secure employment at other centres for the men retrenched.

2. SUBSIDIZED WORKS FOR COMBATING UNEMPLOYMENT.

The following is a brief statement of the works subsidized by the Department during the year under review :—

(1) *Railway Construction and Improvement Works.*—The Railway Improvement Works in Northern Natal were completed during the beginning of 1939, and all the labourers, with the exception of a very limited number employed on essential duties, were transferred to the Cape Eastern Main Line Improvement Works, where approximately 450 labourers with their families were housed in model villages at Toise River and Dohne, near Stutterheim. The Department paid a subsidy of 5s. per man per day in respect of the labourers housed in the Model Villages, but the labourers were generally employed on piece-work, where their earnings were considerably higher than the Department's subsidy contribution. The work on the Union–Volksrust Section at Mapleton was still in progress at the close of the year under review and about an equal number of semi-fit and fit men were employed thereon. As the Department was unable to provide other suitable employment for the semi-fit labourers employed at the Kimberley Railway Yards during 1938, it was deemed necessary to continue the payment of subsidy on the liberal basis of 100 per cent. of the wage cost. The subway at Leeuwdoornsstad, which provided temporary work for 40 labourers, was also subsidized by the Department on the basis of 2s. per day on a daily wage of 5s. 6d. This work was completed during June, 1939.

Particulars of the Railway Works on which subsidized labourers were employed during 1939 are given in the following statement:—

Name of Works.	Number of Workers for whom Provision was made.		Basis of Subsidy.	Number of Labourers Employed.				Remarks.
				Jan., 1939.		Dec., 1939.		
	European.	Coloured.		European.	Coloured.	European.	Coloured.	
Northern Natal Improvement Works: Ingogo	671	—	P.	221	—	—	—	Completed during year.
Northern Natal: Model Villages	500	—	P.	75	—	—	—	Men transferred during year.
Cape Eastern Main Line: Model Villages	750	—	P.	283	—	407	—	
Leeuwdoornsstad Subway	40	—	P.	21	—	—	—	Completed during year.
Union-Volksrust: New Works Mapleton	140	—	P.	138	—	70	—	
Kimberley Railway Yards	75	—	100%	62	—	63	—	

P. = Percentage of Wage Cost.

Particulars of the piece-work earnings on the Cape Eastern Main Line Section referred to above are as follows:—

Month.	Number of men employed on piecework.	Gross Average Earnings *p.m.p.d. during month.	Net Average Earnings *p.m.p.d. during month.	Gross Average Earnings *p.m.p.d. since commencement of work.	Net Average Earnings *p.m.p.d. since commencement of work.
1939.		s. d.	s. d.	s. d.	s. d.
January	298	14 8¼	11 10	12 9¾	10 4
February	300	13 1	10 7½	12 10½	10 4¾
March	336	14 0	11 2½	13 1¾	10 7
April	472	11 7¾	8 10¼	12 9¾	10 2½
May	493	14 8½	10 0	13 3	10 2
June	497	15 9½	9 10	13 8½	10 1¼
July	475	17 4½	10 6¾	14 2½	10 2
August	501	16 4½	9 10	14 6	10 1½
September	476	17 6¾	10 4½	14 10½	10 1¾
October	459	16 2½	9 8¼	15 0	10 3½
November	465	16 5½	9 10¾	15 1¼	10 3½
December	467	17 0	10 5¾	15 3	10 3½

* p.m.p.d. = Per man per day.

The hire of implements and trek-gear and the purchase of blasting materials from the Railway Administration accounts for the difference between the gross and net earnings.

The total amount paid by the Department to the Railway Administration during the financial year 1939–40 by way of subsidies was £39,190. 15s. 10d.

(2) *Anti-Soil Erosion Works—Scheme "C."*—Under this scheme anti-soil erosion works were carried out by European labourers who were recruited by this Department and whose wages were subsidised to the extent of seven-eighths of the wage cost. The primary object of this scheme was to assist in the relief of unemployment in rural areas especially amongst old and physically handicapped persons who were not eligible for engagement for other Government schemes where work was of a more strenuous nature. The wage paid to labourers employed on these works was 5s. 6d. per day for married men and 4s. per day for unmarried men.

Representations were from time to time made to the Department to increase the wages of labourers employed on soil erosion works. Experience showed, however, that this work proved very attractive to workers of the farm labourer, "bywoner" and "bysaaier" type, and the Department experienced considerable difficulty in the past in preventing this type of worker, as well as small farm owners, from abandoning their farming operations and seeking employment on anti-soil erosion works. At the end of December, 1939, 1,761 labourers were employed on anti-soil erosion works, including 45 on three schemes carried out

by Government Departments and 32 on three schemes carried out by Municipalities. When compared with the figures of the past few years, e.g. 5,806 during October, 1935, it will be seen that the unemployment position in the rural areas has improved substantially.

The number of approved works under Scheme "C" which had not been commenced or which had not yet been completed at the end of 1939, was 1,479. Work was proceeding on only 293 of these schemes, and under normal circumstances work under this scheme would be available for a number of years to come. Where farm owners were unable or unwilling to wait until the Department could supply them with gangs of eligible labourers, they could avail themselves of one of the other schemes controlled by the Department of Agriculture and Forestry.

The following amounts were paid by the Department during the year 1939–40 by way of subsidies in respect of anti-soil erosion works :—

Private Farm owners.....	£130,722 17 11
Municipalities.....	£ 3,640 6 8
Government Departments.....	£ 2,057 7 8

(3) *Eradication of Noxious Weeds.*—The eradication of jointed cactus by means of the biological method, was continued by the Department of Agriculture and Forestry during the year under review. This method proved to be much more effective than the old method of eradication by means of manual labour, and only the 40 coloured labourers employed at the end of 1938 in connection with the liberation and distribution of the cochineal insects in the cactus-infected areas were retained under a wage subsidy from this Department.

During January, 1939, 23 semi-fit Europeans were employed under a subsidy by this Department in connection with the eradication of Imbrikaat Cactus and other noxious weeds. This work was carried out by the Departments of Mines and of Agriculture and Forestry in parts of the Western Transvaal and the Barkly West district. The work was temporarily stopped during the latter part of the year.

The Department of Labour paid the full wage of the labourers employed, which amounted to £2,626. 12s. 10d.

(4) *Provincial and Divisional Council Subsidi ed Road Works.*—The total number of subsidized labourers employed on Provincial and Divisional Council Works during January, 1939, was 671 Europeans and 302 Coloureds and in December, 1939, 202 Europeans and 208 Coloureds. The considerable decrease in the number of Europeans was due to the fact that 400 men were absorbed in the regular services of the Provincial Administration of the Orange Free State. The Department has paid a wage subsidy on a diminishing scale over a period of 3½ years, after which the labourers were absorbed in the permanent employ of the Administration.

(5) *Municipal Subsidized Works.*—During the year the Department subsidized Municipal Councils in respect of the following classes of labourers :—

(*a*) *Regular Services.*—Under this scheme the Department subsidized the wages of the labourers on a diminishing basis over a period of 3 years. The object of the scheme was that the employing bodies should absorb the subsidized labourers into their regular service after the expiration of the subsidy period. This scheme did not prove popular (only ten labourers being employed thereunder) and came to an end during the year.

(*b*) *Supplementary Works.*—During the year the Department subsidized the employment of persons on supplementary works, i.e. works instituted temporarily to relieve unemployment amongst physically fit workers in Johannesburg, Cape Town, and Natal. In the latter two cases the assistance rendered was to the Coloured community, some 347 being subsidized during January, 1939, and 337 during December, 1939. In Johannesburg the Department subsidized fit Europeans on Municipal works, and the numbers employed during January and December of the year under review were 210 and 338 respectively. The increase in the number of Europeans subsidized was attributable to the outbreak of war, which caused a certain amount of unemployment in certain industries.

(*c*) *Contract Works.*—To encourage the employment of European labour by contractors carrying out municipal contracts, the Department was prepared to pay a subsidy calculated on the difference between alternative tender prices based on the employment of European

unskilled labour and Native labour. Applications of this nature were, however, only considered when the unemployment position justified it. During 1939 only the Johannesburg Municipality availed itself of this scheme and during January, 230 labourers were employed under subsidy on contract works compared with 63 during December, 1939.

(*d*) *Anti-soil Erosion Works.*—Municipalities were subsidized by the Department at the rate of 75 per cent. of the wages of the labourers employed on anti-soil erosion schemes carried out by them. Thirty-two labourers were employed by three Municipalities on such work at the end of 1939.

(*e*) *Semi-fit Males.*—This scheme which was introduced to relieve unemployment amongst the type of labourer who, owing to old age or physical disabillty, was not able to perform sustained manual labour, proved to be a great success.

Subsidy was based on wages ranging from 4s. to 6s. per day, and the Department contributed 75 per cent. towards these wages for the first year of subsidy and 65 per cent. thereafter. This reduction of 10 per cent. of the Department's subsidy, which came into operation as from the 1st June, 1939, gave rise to some dissatisfaction on the part of certain employing bodies which in some cases threatened to pay off their subsidized semi-fit labourers unless the old subsidy basis was restored. The employment of this type of labourer under subsidy proved that employing authorities had found avenues of employment in which this class of labourer could be profitably employed, and the Department considered that those authorities which had employed subsidized labour for a year or more should be prepared to pay a slightly higher proportion of the wages, particularly in view of the fact that as a result of regular employment under reasonable conditions, the output of many of the workers had increased as, in many cases, their physical condition had improved.

The number of persons employed under the scheme in January and December, 1939, were as follows :—

Local Authorities.	Europeans.		Coloureds.		Totals.	
	Jan.	Dec.	Jan.	Dec.	Jan.	Dec.
Municipal Councils.....	1,776	1,721	21	59	1,797	1,780
Divisional Councils.....	174	93	61	42	235	135
Totals.....	1,950	1,814	82	101	2,032	1,915

(6) *Private Employers.*—The following are the particulars in respect of the subsidized employment of European labourers by private employers :—

Charitable Organisations and Private Employers.

Employing Authority.	Nature of Works.	Number of workers for whom provision was made.		
		European Men.	European Women.	Coloured Men.
Toc H. Juvenile Employment Scheme.....	General Work, Parks and Botanical Gardens, Pietermaritzburg	22 (Youths)	—	—
Citizens' Housing League Utility Company.	Work at Good Hope Model Village, Cape Town	20	—	—
Kakamas Church Settlement.....	Cleaning and levelling of ground at Rhenosterkop	131	—	—
Suid-Afrikaanse Vroue Federasie.....	Blanket-making at Lichtenburg and Byenestpoort	—	126	—
Voortrekker Monument Committee, Pretoria	Super structure.....	50	—	—
Various Bodies.....	Miscellaneous.....	26	—	—
Jamestown Golf Club.....	Miscellaneous.....	1	—	—
Marble, Lime and Associated Industries...	Quarrying.....	2	—	—
Lady Clarendon Spinning and Weaving School	Spinning and Weaving..	—	37	—
	Total.....	252	163	—

(7) *Other Subsidized Works.*—The following is a summary of subsidies paid to certain Government Departments in respect of the employment of European and Coloured labourers most of whom were ineligible for employment on National Schemes.

Employing Authority (Government Departments).	Nature of Works.	Number of workers for whom provision was made.	
		European.	Coloured.
Department of Agriculture and Forestry...	Forestry Works, Cape Town	—	50
	Anti-soil Erosion.....	45	—
	Experiment Station, Olyvenhoutdrift	20	—
	Veld Reserve Station, Fauresmith	1	—
	Eradication of Jointed Cactus	—	40
	Eradication of Imbrikaat Cactus	15	—
	Pasture Research, Towoomba	20	—
Department of Public Works.....	Miscellaneous Works, Cape Town	296	—
	Miscellaneous Works, Pretoria	230	—
	Miscellaneous Works, Port Elizabeth	8	—
	Re-surfacing Parade Ground, Pretoria	30	—
	Pretoria Zoo Extension.	125	—
	Lay-out of Grounds: Onderstepoort Laboratories	20	—
	Training of Gardeners, Pretoria	6 (Youths)	—
Department of Lands.....	Construction of Furrows: Orange River Settlements	326	—
Department of Mines.....	Eradication of Weeds...	35	—
Department of Native Affairs.....	Supplementary Works: Namaqualand	—	105

(8) *Special Areas.*—During the year 1939 special subsidies falling outside the Department's ordinary subsidized employment schemes, e.g. in respect of persons not ordinarily regarded as "unemployed" but who needed temporary assistance to tide them over difficult times, were granted in the case of several districts, the most important being Kimberley, Gordonia, Namaqualand and Van Rhynsdorp. In Cape Town a special subsidy granted to the Municipality during the previous year to relieve unemployment amongst the Coloured community had to be extended for the whole of the financial year 1939–40.

3. SPECIAL NATIONAL WORKS NOT SUBSIDIZED BY THE DEPARTMENT.

(1) *Irrigation Works.*—During the year under review there were five irrigation schemes in the course of construction.

The following table shows the number of men employed on the various schemes :—

Name of Works.	January.		July.		December.	
	European.	Coloured.	European.	Coloured.	European.	Coloured.
Kalkfontein.....	154	—	101	—	84	—
Lindleyspoort.....	99	—	165	—	77	—
Loskop.....	1,055	—	1,034	—	668	—
Olifantsrivier.....	15	390	15	323	4	54
Vaal-Hartz.....	650	415	606	415	554	311
TOTAL.....	1,973	805	1,921	738	1,387	365

(2) *Forestry Settlements.*—The following table reflects the position on the Forestry Settlements in the Union and where they are situated :—

Name of Settlement.	Situation.	Number of families provided for.	Number of families in residence at end of year.
Bergplaats	George District	44	42
Bergplaats Extension	„	32	28
Bergvliet	Eastern Transvaal	80	47
Berlin	„	102	68
Blyde	„	80	35
Brooklands	„	50	24
Ceylon	„	110	47
Coetzeestroom	„	100	69
Jonkersberg	Eastern Province	66	47
Jonkershoek (Forestry Agricultural Settlement)	Western Province	19	18
La Motte	„	65	53
Longmore	Eastern Province	50	35
Nelshoogte	Eastern Transvaal	100	50
Nelsrivier	„	50	27
Otterford	Eastern Province	40	23
Spitzkop	Eastern Transvaal	117	82
Tweefontein	„	100	62
Weza	Harding, Natal	118	67
Witklip (Forestry Agricultural Settlement)	Eastern Transvaal	40	17
	TOTAL	1,363	841
	PREVIOUS YEAR	1,347	1,030

4. COLOURED UNEMPLOYMENT.

The question of unemployment among the Coloured section of the community has been one of grave concern to the Department. In the past the field of unskilled labour, as well as certain trades, such as bricklaying and woodworking, provided the Coloured community with practically all the employment they required. It can be quite accurately stated that in the urban centres of the Western Province particularly, the unskilled occupations were almost the sole prerogative of the Coloured man. Of recent years the position has altered considerably. There has been an influx of Natives into all urban areas. The Native, with his superior physique, better adaptability and his willingness to accept lower wages, has rapidly ousted the Coloured man from much of the employment which previously was his domain. Even in industries where wages are regulated, and natives are consequently not able to compete by accepting lower wages, the other factors mentioned are sufficiently strong to operate to the disadvantage of the Coloured man.

The report of the Commission of Enquiry regarding the Cape Coloured population emphasized this aspect of the problem, but remedial measures are not easy of attainment. There is little doubt that the first essential in securing a solution of this problem is to train and equip the Coloured man so as to enable him to compete successfully with his competitors. With this object in view, this Department has sponsored the Coloured Training Camp at Kimberley.* At this institution young Coloured men are being given the opportunity to improve their physique and to acquire habits of industry and discipline with a view to facilitating their placement in suitable employment.

To meet the immediate problem of unemployment, a number of Coloured men was employed on national schemes such as Irrigation Works, while subsidized Divisional Council and Municipal Works also absorbed a large number. Towards the end of the year, to alleviate the Coloured unemployment position, the Railway Administration and the Irrigation Department were approached with a view to extending the avenues of employment for this section of the community.

Moreover, to meet an increasing demand, a Coloured Employment Exchange was opened at Port Elizabeth, while the Exchanges at Johannesburg and Durban which previously operated under a subsidy from this Department, were replaced by departmental Employment Exchanges during the year and Coloured officials were appointed. At most of the larger urban centres, therefore, facilities now exist for the registration and placement of Coloured applicants.

* For further particulars see Chapter II section 5.

5. LOANS, GRANTS AND SUBSIDIES.

The total expenditure incurred by the Department during the financial year 1939–40 on the relief of unemployment by way of loans, grants and subsidies was:—

	£ s. d.	
Government Departments.....	128,684 5 11	Including £84,000. 0s. 0d. in respect of the Special Service and Pioneer Battalions.
Railway Administration.....	39,190 15 10	
Provincial Administrations.....	5,013 14 0	
Divisional Councils.....	20,763 16 10	
Municipal Councils.....	112,542 14 5	
Private Employers.....	146,066 0 7	Including £136,420 12s. 3d. paid in respect of anti-soil erosion works.
	£452,291 7 7	

6. STATEMENT SHOWING THE NUMBER OF CIVILIZED LABOURERS EMPLOYED ON SUBSIDIZED AND NON-SUBSIDIZED WORKS DURING THE YEAR 1939.

(1) Subsidized Works.

EMPLOYING BODY.	January.		July.		December.	
	European.	Coloured.	European.	Coloured.	European.	Coloured.
(*a*) *Government Departments*—						
(1) Departmental Works.....	755	66	593	50	505	32
(2) Eradication of Imbrikaat Cactus	13	—	15	—	—	—
(3) Eradication of Jointed Cactus..	—	40	—	40	—	40
(4) Anti-soil Erosion Works.....	43	—	40	—	45	—
(5) Special Service Battalion.....	1,561	—	1,772	—	1,900	—
(6) Pioneer Battalion.....	232	—	232	—	420	—
(*b*) *South African Railways*.....	804	—	542	—	540	—
(*c*) *Provincial Administrations and Divisional Councils*—						
(1) Transvaal.....	—	—	—	—	—	—
(2) Orange Free State.....	514	—	78	—	81	—
(3) Natal.....	—	64	—	37	—	36
(4) Cape Province.....	200	209	374	193	121	172
(*d*) *Municipalities*—						
(1) Regular Services.....	10	—	—	—	—	—
(2) Semi-fits.....	1,776	21	1,667	63	1,721	59
(3) Supplementary Works (Council Works).....	212	347	199	376	338	337
(4) Contract Works.....	230	—	9	—	63	—
(5) Anti-soil Erosion Works.....	60	—	55	—	32	—
(*e*) *Private Employers*—						
(1) General—						
(*a*) Men.....	205	8	177	7	175	7
(*b*) Women.....	140	—	135	—	77	—
(2) Anti-soil Erosion Works.....	1,704	—	1,815	—	1,684	—
Totals.....	8,459	755	7,703	766	7,702	683
Total employed on Anti-soil Erosion Works (i.e. Govt., Municipal and Private).....	1,807	—	1,910	—	1,761	—

(2) Non-Subsidized Works.

EMPLOYING BODY.	January.		July.		December.	
	European.	Coloured.	European.	Coloured.	European.	Coloured.
Department of Agriculture and Forestry—						
(*a*) General Works	778	953	1,425	727	1,292	707
(*b*) Forestry Settlements	1,016	—	915	—	849	—
Department of Commerce and Industries	9	1	10	1	10	1
Department of Defence	—	97	—	97	—	97
Department of Union Education	3	80	3	84	3	93
Department of Interior	116	30	119	30	118	29
Department of Irrigation—						
(*a*) General Works	31	—	30	—	27	4
(*b*) Irrigation Schemes	1,973	805	1,921	738	1,479	440
Department of Justice	49	25	40	25	40	26
Department of Lands	320	431	389	90	531	227
Department of Posts and Telegraphs	1,924	9	1,941	10	1,962	10
Department of Public Health	2	74	2	81	2	91
Department of Public Works	1,037	318	860	526	1,139	488
South African Railways and Harbours—						
(*a*) Temporary Works	312	—	408	—	365	—
(*b*) Maintenance	18,454	8,173	18,964	7,698	18,645	7,780
Provincial Administration of the Cape	3	48	3	41	2	42
Provincial Administration of Orange Free State	906	—	912	—	1,300	—
Provincial Administration of Natal	24	276	7	293	—	270
Provincial Administration of Transvaal	2,637	—	2,544	—	2,738	—
Totals	29,594	11,320	30,493	10,441	30,502	10,305

CHAPTER II.

REGISTRATION, PLACEMENT AND TRAINING OF UNEMPLOYED PERSONS.

1. REGISTRATION AND PLACEMENT OF APPLICANTS FOR EMPLOYMENT.

To deal with the registration and placement of unemployed Europeans, the departmental organisation comprised :—

(*a*) A division in the Head Office which in addition to directing the filling of vacancies on Government Works, co-ordinated the work of district offices, particularly in connection with the placement of clerical and semi-professional applicants, and the filling of non-prescribed, non-classified and temporary posts in the General Division of the Public Service.

(*b*) Departmental employment exchanges at Pretoria, Johannesburg, Benoni, Krugersdorp, Bloemfontein, Kimberley, Durban, Pietermaritzburg, Cape Town, Port Elizabeth and East London, and, in addition part-time employment exchanges conducted at the following centres :—

Germiston, Boksburg, Brakpan, Springs, Nigel, Randfontein and Roodepoort.

Weekly visits are paid to the latter Exchanges by Employment Officers.

(*c*) Two hundred and eighty-seven employment exchanges in rural areas. These are conducted by Magistrates, Native Commissioners and detached full-time Special Justices of the Peace.

As stated earlier, departmental employment exchanges for the registration and placement of Coloured persons functioned at Cape Town and Kimberley, while subsidized exchanges operated at Johannesburg and Durban. During the year an exchange was established at Port Elizabeth and the subsidized exchanges at Johannesburg and and Durban replaced by departmental exchanges.

The subjoined table reflects the monthly average number of unemployed European adult males registered in rural and urban areas during the years 1933 to 1939 :—

Year.	Rural Areas.	Urban Areas.	Totals.
1933	7,325	6,665	13,990
1934	5,655	5,222	10,877
1935	3,529	4,719	8,248
1936	2,033	3,873	5,906
1937	1,272	3,518	4,790
1938	884	3,879	4,763
1939	788	3,969	4,757

It will be observed that for some years there has been a consistent decrease in the number of applications for employment in rural areas. In urban areas, however, there was a marked decrease until 1937, since which time the numbers of unemployed persons registering has shown an upward tendency. The figures on the whole reflect the improved economic position of the Union.

In the subjoined table a classification is given of European male adult applicants and the class of employment in which they were placed. An average of the monthly applications and placements during the year has been taken. It will be observed that the preponderating majority in the labour market belonged to the semi-skilled or unskilled labourer type :—

	Skilled Artisans.		Clerical and semi-Professional Workers.		Semi-skilled and Unskilled Workers.	
	No.	Percentage of Total.	No.	Percentage of Total.	No.	Percentage of Total.
Applications.						
Urban Areas	573	14·4	304	7·7	3,094	77·9
Rural Areas	2	·3	44	5·6	742	94·1
Totals	575	12·1	348	7·3	3,836	80·6
Placements.						
Urban Areas	68	5·3	69	5·4	1,143	89·3
Rural Areas	—	—	3	·9	345	99·1
Totals	68	4·2	72	4·4	1,488	91·4

The percentage of applicants placed in employment during January and December, 1939, as compared with the same months during the previous year, is reflected in the subjoined table :—

Class of Applicant.	Registrations.		Placements.		Percentage Placed.	
	1938.	1939.	1938.	1939.	1938.	1939.
Adult European Males—						
Urban	3,879	3,971	1,259	1,280	32	32
Rural	885	788	410	348	46	44
Adult European Females	807	971	154	182	19	19
European Boys	727	684	413	360	57	53
European Girls	358	445	156	184	44	41
Coloured Males	1,321	1,047	314	205	24	20
Coloured Females	276	204	130	95	47	47
Totals	8,253	8,110	2,836	2,654	34	32

An analysis of these figures shows that, while the percentage of "placings" of adult European males by urban exchanges during 1938 and 1939 remained unchanged, there was a slight decrease in the percentage placed by rural exchanges. Adult European female "placings" likewise remained equal, but there was a slight falling off in the percentage of European boys and European girls placed during 1939 as compared with the "placings" for 1938.

There is little doubt that the slightly adverse "placement" position during 1939 was due to the unsettled international conditions prevailing.

The amounts disbursed by the Department in respect of the transport and medical examination of persons placed in employment during the financial year 1939–40 were as follows :—

	£	s.	d.
Transport to approved private employment	234	6	1
Transport to interview prospective employers	44	9	5
Transport to forestry settlements	470	0	1
Transport to other Government employment	1,721	13	5
Repatriation of men and families from Government works	154	8	2
Medical examination of men and their wives for Government works	436	10	0
Total	£3,061	7	2

Statements giving particulars of the registration and placement activities of the various employment exchanges will be found at the end of this Chapter.

2. SPECIAL SERVICE BATTALION.

The Special Service Battalion was inaugurated in 1933 for the purpose of combating the deteriorating influences of unemployment and of providing discipline and training for unemployed boys and young men, and was extended during the year under review by increasing the strength of the unit from 1,960 men to brigade strength of 3,000. The name of the unit was accordingly changed to the First Special Service Brigade. The Standard VI qualification previously required of candidates for enlistment in the battalion was dropped, and attestation was limited to persons between 17 and 21 years of age. Members attest for a period of twelve months, and they may, as in the past, be discharged to approved employment after ths completion of nine months' service. Where they so elect they may re-attest from time to time for an aggregate period not exceeding three years.

Although the scheme cannot be regarded strictly as a means of providing employment, it has, nevertheless, proved an effective method of combating unemployment. An Employment Officer, stationed at Voortrekkerhoogte, is charged with the placement in suitable employment of members of the brigade who have completed the requisite period of training, and the demand for the services of the products of the brigade, i.e. the disciplined youth, has exceeded expectations. Members of the brigade receive pay at the following rates per diem :—

	First Year.	*Second Year.*	*Third Year.*
Private	1s.	2s. 0d.	3s. 6d.
Corporal		4s.	
Sergeant		5s.	
Staff-Sergeant		6s.	
Warrant Officer		7s.	

Members receive in addition free rations, uniform, quarters, fuel, light, medical attention and hospitalization. Special attention is paid to physical training, and sport is organized under a Sports Officer.

Two detachments of the brigade have been established at Cape Town and Durban. The authorized strength of the Cape Town detachment is 250 units, and that at Durban, 100 units.

Up to the end of the year 13,815 persons had been admitted to the brigade, and the following tables show how the 10,735 discharged up to 31st December, 1939, had been disposed of :—

DISCHARGES.

	1933–34	1935.	1936.	1937.	1938.	1939.	Totals.
Placed in Employment *	1,799	1,627	1,768	1,608	1,191	1,416	9,409
Refused work offered	11	19	12	7	11	10	70
Refused to attest for employment	72	56	65	72	9	1	275
Refused to re-attest or to accept employment	9	53	53	33	72	100	320
Unsuitable for employment	8	—	76	13	2	—	99
Dismissed	1	4	11	11	6	15	48
Discharged at own request	10	3	8	50	23	37	131
Died	5	5	7	3	5	1	26
Discharged to continue studies	78	18	85	11	16	32	240
Discharged—Authority Adjutant-General	—	3	7	6	4	—	20
Discharged medically unfit	—	—	—	—	36	37	73
Time expired—no employment	2	13	8	1	—	—	24
TOTALS	1,995	1,801	2,100	1,815	1,375	1,649	10,735

* Voortrekkerhoogte Detachment only.

PARTICULARS OF PLACEMENTS.

	1933–34	1935.	1936.	1937.	1938.	1939.	Totals.
Railways	943	619	633	556	433	427	3,611
South African Permanent Force	479	335	510	714	257	475	2,770
Police	53	78	121	74	247	133	706
Prisons	39	65	101	58	17	25	305
Other Government Departments	50	83	79	41	35	52	340
Private Employers	235	447	324	165	202	304	1,677
TOTALS	1,799	1,627	1,768	1,608	1,191	1,416	9,409

NOTE.—Since this report was written the Special Service Battallion has been replaced by the Special Service Brigade, which is a purely military unit.

3. THE PIONEER BATTALION.

The Pioneer Battalion, which started at Bloemfontein in 1935 as a parallel scheme to the Special Service Battalion, for men between 18 and 30 years of age, was converted into a purely military unit for Permanent Force purposes during November, 1939.

The following tables reflect the position in regard to the admission of trainees to the battalion and their subsequent disposal, from the date of inception to 11th November, 1939. Pioneer Battalion members then in training, transferred to the Second Special Service Brigade,

APPLICATIONS AND ATTESTATIONS.

Year.	Number Called up.	Number Attested.	Number Medically Unfit.	Number Called up but not Attested for various reasons.
1935	1,194	1,091	92	11
1936	753	681	71	1
1937	630	497	46	87
1938	526	477	45	4
1939	382	316	36	30
TOTALS	3,485	3,062	290	133

DISCHARGES.

	1935.	1936.	1937.	1938.	1939.	Totals.
Placed in employment	287	612	466	201	146	1,712
Refused work offered, refused to reattest for employment and discharged at own request	400	131	176	199	174	1,080
Dismissed	—	2	2	2	9	15
Died	3	3	—	—	—	6
Medically unfit	—	4	3	9	5	21
TOTALS	690	752	647	411	334	2,834

PARTICULARS OF PLACEMENTS.

	1935.	1936.	1937.	1938.	1939.	Totals.
Railways	135	360	300	134	88	1,017
Special Service Battalion	18	39	21	—	—	78*
S.A. Permanent Force	—	2	13	5	7	27
Discharged to Irrigation Works	60	66	16	8	10	150
Other Government Departments	23	43	28	9	2	105
Private employers	51	102	98	23	35	309
S.A. Police and Prison Service (including S.A.R. Police)	—	—	—	22	4	26
TOTALS	287	612	466	201	146	1,712

* Includes 9 buglers retransferred to Pioneer Battalion.

4. JUNIOR SPECIAL SERVICE BATTALION AND "K" PLATOONS.

The unemployment position among youths not eligible for enlistment in the Special Service and Pioneer Battalions on account of their low age, lack of educational qualifications and physical infirmities, led the Departments of Defence, Social Welfare and Labour, to formulate a scheme, based as far as possible on the model of the Special Service Battalion, for assisting such youths. Briefly, this consisted of:—

(*a*) A Junior Special Service Battalion with an authorized strength of 200 units, to which fit boys, who had satisfied the compulsory schooling laws of their area of domicile, would be admitted up to the time they attained their 17th birthday. Members attaining that age would automatically transfer to the First Special Service Brigade.

(*b*) "K" Platoons to which boys and young men under 25 years of age, who had satisfied the compulsory schooling laws of their area of domicile, and who were suffering from remediable physical defects, would be

admitted for curative treatment. Members of this unit would automatically transfer to the Junior Special Service Battalion or the First Special Service Brigade or be attested in the Second Special Service Brigade, now styled the Field Force Brigade, according to their age at the time they acquired the necessary standard of physical fitness for admission to those units.

The conditions of service in the Junior Special Service Battalion and the "K" platoons were similar to those for the First Special Service Brigade, except that trainees were required to attest for an initial period of two years.

Recruiting for the Junior Special Service Battalion commenced in July, 1939, and 99 trainees had been admitted to that unit by 31st December, 1939. Recruiting for the "K" Platoons was at the end of the year still being held up by a lack of facilities to deal with semi-fit applicants, but the indications were that a start would be made early in the new year.

5. COLOURED TRAINING CAMP, KIMBERLEY.

The Department and the Railway Administration assumed joint responsibility for the conduct of the Coloured Training Camp with effect from 1st October, 1938. It had an authorized strength of 100 units, and the object of the undertaking was to fit Coloured persons between 18 and 30 years of age, by means of vocational and disciplinary training, for placement in employment. Trainees were paid 1s. per day in addition to free rations, quarters, uniforms, fuel, light, water and medical attention. The period of training was 12 months, but trainees could be discharged to approved employment after the satisfactory completion of six months' training.

The difficulty experienced during 1938 in finding trainees for the Camp continued throughout the year under review. This reluctance on the part of Coloured persons to avail themselves of the facilities offered could not be ascribed to any apparent cause or set of causes. The Railway Administration also expressed the view that the type of person offering for training was not of the standard desired. Towards the end of the year, an Inter-departmental Committee was accordingly established to enquire into and report on matters affecting the Camp, and particularly the reasons why Coloured persons did not come forward for training, and the allegation that those offering were not up to standard.

Representatives of the Departments of Labour and Social Welfare and of the Railway Administration recommended in October, 1939, that the Department of Social Welfare should assume entire responsibility for the administration and conduct of the Coloured Training Camp. The Departments interested approved this recommendation, which was subsequently put into effect.

The following tables reflect the activities of the Camp for the period 1st October, 1938, to 31st December, 1939.

Applications and Enrolments.

Period.	Called Up.	Enrolled.	Failed to Report.	Disposals.	
				Placed.	Discharged.
1/10/38–31/12/38	54	60*	11	11	7
1939	88	77	11	54	18
Totals	142	137	22	65	25

* Includes 17 trainees who were in the Camp when recruiting was commenced.

Particulars of Placements and Discharges.

	1938.	1939.	Totals.
Placed—			
S.A.R. & H. Catering Department	11	46	57
S.A.R. & H. Police	—	8	8
Discharged—			
Medically unfit	3	18	21
Own request	1	—	1
Bad conduct	3	—	3
Totals	18	72	90

6. JUVENILES ACT, 1921.

(1) Juvenile Affairs Boards and Juvenile Advisory Boards.

The only Juvenile Advisory Board which functioned in respect of European juveniles in the Union, namely, that at Kingwilliamstown, was converted into a statutory board during the year. This brought the total number of Juvenile Affairs Boards in existence to 23. They function at the following centres :—

Cape Province.—Cape Town, East London, George, Graaff-Reinet, Grahamstown, Kimberley, Kingwilliamstown, Port Elizabeth and Upington.

Transvaal.—Johannesburg, Benoni, Krugersdorp, Pretoria, Potchefstroom, Pietersburg, Rustenburg and Brits.

Orange Free State.—Bloemfontein, Kroonstad, and Fauresmith.

Natal.—Durban, Pietermaritzburg and Ladysmith.

Juvenile Advisory Boards functioning in respect of Coloured Juveniles were established at Port Elizabeth and Durban during the year. This brought the number of such boards in existence to four. They functioned at Cape Town, Kimberley, Port Elizabeth and Durban. The setting up of a Coloured Juvenile Advisory Board at Johannesburg was approved in principle, and the preliminary work in this connection was receiving attention at the close of the year. The employment exchange for Coloured adults at Johannesburg undertook the registration and placement of juveniles pending the establishment of an Advisory Board.

(2) Juvenile Employment—General.

The effect of the war on juvenile employment is largely a matter of conjecture. It may be true that towards the end of the year shortly after the outbreak of hostilities employers especially in commerce, were sceptical about assuming additional responsibilities by increasing their staffs. At least two Chairmen of Juvenile Affairs Boards mention the international situation as the main cause of what is described as the unsatisfactory employment position towards the end of the year. Notwithstanding this, various Boards attained record placement figures for the year, and whatever the immediate effect of the war was, it was largely of a temporary nature. This was demonstrated by the fact that there was a difference of only eight between the placement figures for December, 1938, and December, 1939.

Taking the position as a whole there was a drop of 99 in the placement figure for the year as compared with that for 1938. This figure should, nevertheless, not be regarded as being unsatisfactory. The number of juveniles who registered for work represented an advance of 520 on the number for the previous year. At the end of the year there were 1910 juveniles registered with the 23 Boards. Of these, 697 had registered during December, 1939, and could expect to be assisted in finding employment in the new year. The most pleasing feature of the employment work for the year was the almost universal conclusion arrived at by Boards that there was a marked improvement in the type of applicant registering for work.

The following is a comparative table showing the number of juveniles registered with Juvenile Affairs Boards and placed in employment during the years 1926–1939.

Year.	Applications Registered.	Juveniles Placed in Work.	Found Work Otherwise.	Total in Employment.	Balance of Registered Juveniles at December.	Per cent. of Registered Applicants Placed by Juvenile Affairs Boards.
1926–31.....	59,989	24,505	27,817	52,322	2,574	40·8
1932.....	9,505	3,148	1,722	4,870	2,792	33·1
1933.....	9,581	3,432	1,957	5,389	2,646	35·8
1934.....	9,372	4,059	3,260	7,319	1,530	43·3
1935.....	11,589	5,451	3,941	9,392	1,590	47·04
1936.....	13,085	6,876	3,799	10,675	1,832	52·5
1937.....	12,486	7,656	4,036	11,692	1,444	61·3
1938.....	13,026	6,830	3,419	10,249	1,677	52·42
1939.....	13,546	6,531	4,334	10,865	1,910	48·2

A detailed table of registrations and placements of juveniles and a table reflecting the activities of the Coloured Juvenile Advisory Boards, will be found at the end of this chapter.

(3) Advisory Committee of Juvenile Affairs Boards.

A meeting of the Advisory Committee of Juvenile Affairs Boards was held at Port Elizabeth on 13th March, 1939, at which were discussed, *inter alia*, the criticisms levelled against its composition by nearly all Boards not directly represented thereon. The conclusion arrived at was that any decision in regard to reconstituting or disbanding the Committee should be taken at a Conference of Juvenile Affairs Boards, in view of the fact that the Committee came into being on a conference recommendation. It accordingly recommended the holding of a conference towards the end of the year. While the Department was sympathetically inclined towards the proposal, it had to be abandoned on account of the international situation. The Advisory Committee has performed valuable work as a liaison body between the Department and Boards, but it has now served its purpose in that the establishment of rural Boards in 1938 introduced factors not taken into consideration in constituting the Committee.

(4) Avenues of Employment.

Agriculture.—Spurred by a desire to popularise farming, which offered comparatively good employment prospects, as a regular and recognised avenue of employment for juveniles, Boards during the year concentrated on advertising the facilities offered by agricultural vocational schools, agricultural colleges and the Closer Settlement Schemes of the Department of Lands. A certain amount of success attended these efforts, but the bias against farm life, as against the attractions associated with life in a city or town, had still to be broken down.

Domestic Service.—Although offering comparatively remunerative and congenial employment, domestic service continued to be regarded as the cinderella of all forms of employment. Only a small percentage of the vacancies notified could be filled during the year. It was hoped that the prejudice against this work would have been combated by the influence of the Girls' Training Centre at Pretoria, but the indications were that trainees of that institution would, in the main, be placed as assistants in hospital wards, laundresses, seamstresses, etc., instead of as domestic servants in private households.

Industrial Occupations.—As in previous years, designated trades offering apprenticeships were the most sought after occupations in industry. Unfortunately the number of boys who could be accommodated in trades, through the medium of Juvenile Affairs Boards, constituted only about one-tenth of the number who had registered for such occupations. The main factor militating against placements in designated trades was the fact that most employers kept waiting lists of applicants on which they drew without reference to employment bureaux. The number of boys placed in designated trades could therefore not be regarded as bearing any relation to the number actually engaged during the year, or to industry's capacity to absorb juvenile labour.

Commercial and Clerical Occupations.—Clerical and commercial work continued to find favour with almost half the number of juveniles registering with Juvenile Affairs Boards, but unfortunately a large number seeking such employment were disillusioned by bitter experience teaching them that their quest was in vain due to a lack of qualifications. There was a steady demand for both male and female juniors with fair educational qualifications. A large number of lesser qualified boys, who were encouraged in every way to improve their education, and might therefore be regarded as potential junior employees, were taken on as messengers in commerce and the Public Service.

The following comparative statement of placements according to occupations refers to the months of December, but may be taken as a reliable index to the position throughout the year.

Classification.	1938.		1939.	
	Applications.	Placements.	Applications.	Placements.
Industrial	360 (25%)	52 (12%)	426 (27%)	43 (10%)
Clerical	405 (29%)	137 (31%)	467 (29%)	98 (22·5%)
Messengers	221 (16%)	109 (25%)	241 (15%)	129 (30%)
Shop Assistants*	100 (7%)	43 (10%)	129 (8%)	34 (8%)
Miscellaneous	324 (23%)	99 (22%)	337 (21%)	128 (29·5%)
Totals	1,410	440	1,600	432

* Figures do not include seasonal temporary placements, e.g. during the Christmas rush.

(5) Publicity.

The usual forms of publicity such as the distribution of circulars, the display of bioscope slides, press articles, and special talks were practised throughout the year. Various Boards placed daily and weekly press advertisements which, by the kindness of the papers concerned, were accepted at rates considerably lower than the usual tariff.

(6) Vocational Guidance.

The most direct and effective form of vocational guidance practised by Boards took the form of interviews with juveniles and their parents calling at the employment bureaux. The publication of vocational information in the "Careers Guide," issued monthly by the Witwatersrand Central Juvenile Affairs Board, and the annual booklet "Careers" published by the Cape Division Juvenile Affairs Board, was on the other hand a valuable form of disseminating vocational information from the point of view that it reached rural Juvenile Affairs Boards and schools not in direct contact with the ever-changing conditions. Another method of affording vocational guidance to potential work-seekers practised by all Boards took the form of addresses to intending school-leavers during the second half of the school year. In many instances such talks to school-leavers were supplemented by the display of bioscope films with a vocational bias.

(7) Employment Centres (Clubs).

Two employment centres for boys, one at Pretoria and the other at East London, and an employment centre for girls at Kimberley, were in existence at the end of the year. These employment centres were in the nature of rest-rooms attached to the employment exchanges conducted by Boards, where applicants for work could keep themselves occupied during idle hours by reading and playing games.

Provision of this nature has definite advantages, particularly in that it keeps juveniles off the streets and affords employment officers an opportunity for studying their bents and characters. An aspect to be guarded against, however, is the possibility of preference being shown towards the regular habitue of the employment centre as against possibly more deserving applicants who, on account of domestic disabilities, are precluded from attending such clubs.

	London.			Durban and Pietermaritzburg.			Totals.			
	Placements.		A.	Placements.			A.	Placements.		
	Pu.	T.		P.	Pu.	T.		P.	Pu.	T.
193										
January..	72	88	434	26	65	91	4,370	208	1,205	1,413
July.....	72	81	314	11	73	84	3,480	173	731	904
December.	46	69	346	13	104	117	3,602	251	1,335	1,586
1939.....	—	78	448	—	—	134	3,969	—	—	1,279
1938.....	—	38	374	—	—	122	3,879	—	—	1,259
1937.....	—	49	287	—	—	107	3,518	—	—	1,378
1936.....	—	42	339	—	—	113	3,873	—	—	1,271
193										
January..	12	12	11	—	—	—	1,103	11	653	66
July.....	—	—	22	—	7	7	888	16	340	356
December.	6	6	9	—	4	4	653	8	292	300
1939.....	—	10	19	—	—	8	788	—	—	350
1938.....	—	12	34	—	—	24	885	—	—	410
1937.....	—	26	64	—	—	44	1,272	—	—	685
1936.....	—	48	157	—	—	69	2,033	—	—	941

	London.	Durban and Pietermaritzburg.		Totals.	
	Placements.	A.	Placements.	A.	Placements.
193					
January...	6	85	15	890	162
July.....	11	72	17	896	151
December.	14	51	13	715	100
1939.....	13	86	20	965	185
1938.....	9	86	19	807	154

7. STATEMENT SHOWING THE NUMBER OF PERSONS REGISTERED AT EMPLOYMENT EXCHANGES AND PLACEMENTS MADE DURING 1939.

1. Adult European Males—Departmental Exchanges.

	Pretoria.				Witwatersrand.				Bloemfontein.				Kimberley.				Capetown.				Port Elizabeth.				East London.				Durban and Pietermaritzburg.				Totals.			
	A.	Placements.			A.	Placements.			A.	Placements.			A.	Placements.			A.	Placements.			A.	Placements.			A.	Placements.			A.	Placements.			A.	Placements.		
		P.	Pu.	T.		P.	Pu.	T.		P.	Pu.	T.		P.	Pu.	T.		P.	Pu.	T.		P.	Pu.	T.		P.	Pu.	T.		P.	Pu.	T.		P.	Pu.	T.
1939.																																				
January	708	13	309	322	1,608	76	371	447	174	7	81	88	193	—	92	92	835	65	155	220	245	5	60	65	173	16	72	88	434	26	65	91	4,370	208	1,205	1,413
July	497	11	207	218	1,315	39	188	227	189	11	77	88	112	2	16	18	671	78	62	140	208	12	36	48	174	9	72	81	314	11	73	84	3,480	173	731	904
December	543	14	389	403	1,576	117	465	582	105	3	42	45	95	—	45	45	586	61	175	236	224	20	69	89	127	23	46	69	346	13	104	117	3,602	251	1,335	1,586
Average Monthly Totals.																																				
1939	607	—	—	329	1,503	—	—	367	169	—	—	73	125	—	—	43	703	—	—	184	249	—	—	71	165	—	—	78	448	—	—	134	3,969	—	—	1,279
1938	667	—	—	385	1,431	—	—	364	165	—	—	72	129	—	—	66	736	—	—	160	250	—	—	52	129	—	—	38	374	—	—	122	3,879	—	—	1,259
1937	626	—	—	400	1,360	—	—	447	172	—	—	92	85	—	—	59	611	—	—	189	239	—	—	37	138	—	—	49	287	—	—	107	3,518	—	—	1,378
1936	625	—	—	291	1,504	—	—	481	164	—	—	82	92	—	—	60	694	—	—	154	300	—	—	48	155	—	—	42	339	—	—	113	3,873	—	—	1,271

2. Adult European Males—Magisterial Exchanges, Controlled from the above Departmental Exchanges.

1939.																																				
January	229	1	97	98	296	—	240	240	150	5	85	90	156	—	128	128	148	5	68	73	85	—	23	23	28	—	12	12	11	—	—	—	1,103	11	653	66
July	111	2	53	55	87	3	28	31	212	11	108	119	39	—	17	17	221	—	91	91	103	—	36	36	93	—	—	—	22	—	7	7	888	16	240	356
December	70	—	26	26	60	1	15	16	232	4	129	133	74	—	22	22	127	—	80	80	60	3	10	13	21	—	6	6	9	—	4	4	653	8	292	300
Average Monthly Totals.																																				
1939	121	—	—	54	115	—	—	55	166	—	—	80	65	—	—	40	164	—	—	74	85	—	—	29	53	—	—	10	19	—	—	8	788	—	—	350
1938	129	—	—	47	186	—	—	110	131	—	—	63	112	—	—	80	139	—	—	44	93	—	—	29	60	—	—	12	34	—	—	24	885	—	—	410
1937	199	—	—	112	283	—	—	150	141	—	—	87	149	—	—	118	170	—	—	72	190	—	—	75	76	—	—	26	64	—	—	44	1,272	—	—	685
1936	213	—	—	124	654	—	—	287	170	—	—	87	257	—	—	184	284	—	—	81	206	—	—	61	92	—	—	48	157	—	—	69	2,033	—	—	941

3. Adult European Females—Departmental Exchanges.

	Pretoria.		Witwatersrand.		Bloemfontein.		Kimberley.		Capetown.		Port Elizabeth.		East London.		Durban and Pietermaritzburg.		Totals.	
	A.	Placements.	A.	Placements.	A.	Placements.	A.	Placements.	A.	Placements.	A.	Placements.	A.	Placements.	A.	Placements.	A.	Placements.
1939.																		
January	147	34	262	52	81	15	24	4	184	32	34	4	73	6	85	15	890	162
July	137	51	229	42	105	14	18	2	127	23	26	6	102	11	72	17	896	151
December	175	41	296	41	126	3	22	2	103	18	12	1	103	14	51	13	715	100
Average Monthly Totals.																		
1939	169	34	296	55	104	12	19	4	164	38	28	9	99	13	86	20	965	185
1938	118	25	284	58	40	5	49	7	127	23	26	8	77	9	86	19	807	154

A.=Applications. P.=Private. Pu.=Public. T.=Total.

	Durban.				Totals.			
	Adults.		Juveniles.		Adults.		Juveniles.	
	A.	P.	A.	P.	A.	P.	A.	P.
January.....	168	32	19	—	1,264	409	181	55
July.....	103	5	5	3	1,060	166	100	47
December...	218	28	66	15	1,255	376	140	38
January.....	32	5	—	—	241	115	111	29
July.....	3	—	8	—	246	102	71	22
December...	9	1	2	—	115	57	41	16

s Boards.

	r London.		Kimberley.		Totals.	
		P.	A.	P.	A.	P.
January.....		12	21	2	1,672	543
July.....		13	11	4	518	341
December...		10	34	4	1,081	323
Totals		35	66	10	3,271	1,207
January.....		6	12	3	1,007	271
July.....		9	12	3	328	153
December...		3	14	2	519	109
Totals		18	38	8	1,854	533

s.

Month.	London.		Kimberley.				Totals.			
	P.		A.		P.		A.		P.	
	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.
July.....	6	3	4	6	—	1	344	335	178	144
July.....	3	8	7	7	—	—	334	225	183	109
July.....	5	3	3	2	2	—	464	278	239	143
July.....	12	2	5	—	1	—	604	240	483	161
July.....	14	2	9	5	8	—	651	242	472	150
July.....	9	—	2	6	17	4	353	277	341	135
July.....	13	9	11	12	4	3	518	328	341	153

4. Adult and Juvenile Coloured Males.

1939.	Cape Town.				Port Elizabeth.				Kimberley.				Witwatersrand.				Durban.				Totals.			
	Adults.		Juveniles.		Adults.		Juveniles.		Adults.		Juveniles.		Adults.		Juveniles.		Adults.		Juveniles.		Adults.		Juveniles.	
	A.	P.	A.	P.	A.	P.	A.	P.	A.	P.	A.	P.	A.	P.	A.	P.	A.	P.	A.	P.	A.	P.	A.	P.
January	777	217	117	45	—	—	—	—	274	140	20	1	45	20	25	9	168	32	19	—	1,264	409	181	55
July	619	123	47	33	220	13	32	4	68	6	2	2	50	19	14	5	103	5	5	3	1,060	166	100	47
December	584	316	36	16	158	10	24	5	193	7	6	—	102	15	8	2	218	28	66	15	1,255	376	140	38

5. Adult and Juvenile Coloured Females

1939.																								
January	162	77	93	23	—	—	—	—	3	2	6	1	44	31	12	6	32	5	—	—	241	115	111	29
July	176	73	42	12	22	3	8	2	—	—	1	—	45	26	12	8	3	—	8	—	246	102	71	22
December	54	42	21	11	24	5	7	2	—	—	1	—	28	9	10	3	9	1	2	—	115	57	41	16

6. Statement showing the Number of Juveniles Registered with and Placements Effected by Juvenile Affairs Boards.

(a) European Boys.

1939.	Witwatersrand.		Pretoria.		Capetown.		Durban.		Bloemfontein.		Port Elizabeth.		East London.		Kimberley.		Totals.	
Month.	A.	P.	A.	P.	A.	P.	A.	P.	A.	P.	A.	P.	A.	P.	A.	P.	A.	P.
January	730	285	155	64	294	76	207	52	82	29	116	23	67	12	21	2	1,672	543
July	225	131	85	70	71	42	64	59	13	11	25	11	24	13	11	4	518	341
December	393	97	183	118	221	43	54	38	54	8	69	5	73	10	34	4	1,081	323
Totals, 1939	1,348	513	423	252	586	161	325	149	149	48	210	39	164	35	66	10	3,271	1,207

(b) European Girls.

January	382	144	198	35	132	31	101	31	47	10	83	11	52	6	12	3	1,007	271
July	128	57	60	25	42	25	51	18	5	3	15	13	15	9	12	3	328	153
December	172	45	115	21	68	13	74	19	14	1	25	5	37	3	14	2	519	109
Totals, 1939	682	246	373	81	242	69	226	68	66	14	123	29	104	18	38	8	1,854	533

7. Comparative Statement of Applications for Employment and Placements made—European Boys and Girls.

Juvenile Affairs Boards.

Month.	Year.	Witwatersrand.				Pretoria.				Capetown.				Durban.				Bloemfontein.				Port Elizabeth.				East London.				Kimberley.				Totals.			
		A.		P.		A.		P.		A.		P.		A.		P.		A.		P.		A.		P.		A.		P.		A.		P.		A.		P.	
		B.	G.	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.	B.	G.
July	1933	135	120	73	77	52	31	11	5	44	34	38	29	47	25	28	4	14	52	14	3	40	50	8	22	8	17	6	3	4	6	—	1	344	335	178	144
July	1934	49	53	62	40	36	34	31	12	75	19	20	19	53	44	38	12	48	10	19	3	48	31	10	15	18	27	3	8	7	7	—	—	334	225	183	109
July	1935	242	123	106	64	34	32	24	8	65	32	35	28	65	46	54	31	22	3	6	1	20	21	7	8	13	19	5	3	3	2	2	—	464	278	239	143
July	1936	325	85	262	69	62	38	61	7	64	43	50	37	69	33	77	35	28	7	13	2	34	11	7	9	17	23	12	2	5	—	1	—	604	240	483	161
July	1937	372	111	231	75	81	45	75	10	59	32	50	23	77	26	74	25	14	7	12	12	20	6	8	3	19	10	14	2	9	5	8	—	651	242	472	150
July	1938	247	110	137	70	55	34	57	11	37	52	49	15	32	46	37	24	18	5	15	4	48	11	20	7	14	13	9	—	2	6	17	4	353	277	341	135
July	1939	225	128	131	57	85	60	70	25	71	42	42	25	64	51	59	18	13	5	11	3	25	15	11	13	24	15	13	9	11	12	4	3	518	328	341	153

A.=Applications. P.=Placements. B.=Boys. G.=Girls.

CHAPTER III.

ADMINISTRATION OF INDUSTRIAL LAWS.

1. NEW LEGISLATION.

Acts to provide for the registration and control of electrical wiremen and contractors and for the regulation of hours and conditions of work in shops and offices were passed during the year and are described hereunder.

Shops and Offices Act, No. 40 of 1939.

This Act, which replaced the various Provincial Shop Hours Ordinances in so far as they regulated the hours of work and other conditions of employment of shop assistants, was published in *Government Gazette* No. 2654 of 23/6/39, on receiving the Governor-General's assent and became operative on the 1st January, 1940. The Regulations were published in Government Notice No. 1906 of 1/12/39, amplified by Government Notice No. 2097 of 29/12/39.

The Act applies to all "shops" (including wholesale houses, auction marts, markets and all other premises where goods are sold or offered for sale by wholesale, retail or public auction or where goods sold or intended for sale are received, stored, packed or unpacked, or from which they are despatched), restaurants, tea-rooms and eating-houses, hairdressers' saloons, and establishments where boots and shoes or clothing are repaired or received for repair. Offices existing as part of any business mentioned above also come within the terms of the Act. Other classes of offices are affected only upon the Minister publishing a declaration specifying the class of office to be covered and the extent to which the provisions of the Act shall apply. No such declaration has yet been made.

All employees of shops and the other types of business mentioned come within the scope of the Act, with the exception of directors, caretakers, watchmen, and persons delivering goods or tending or harnessing animals. Further, persons employed in factories registered under the Factories Act of 1918 are excluded, together with those doing unpaid work in or for a charitable institution, and certain specified employees, including, *inter alia*, those occupied solely in making or baking bread and confectionery, or employed by a wholesale butcher in slaughtering or in dressing meat; mechanics in a motor garage; farm employees; and State employees or those employed in a State-aided educational institution.

Where an Industrial Council Agreement under the Industrial Conciliation Act or a Wage Determination dealing with hours of work, paid annual leave, etc., is in operation, the provisions of the Act regarding these matters do not apply.

The Minister may further "designate" certain areas as areas where restrictions and other provisions dealing with the daily working hours shall be applied. No such areas have been designated to date.

Briefly the Act provides for—

(1) A working week of forty-six hours.

(2) Unpaid overtime not exceeding one hour per week to serve late customers, paid overtime not exceeding 30 hours per annum to do work not reasonably possible during ordinary hours and fifteen per annum to pack and despatch goods.

In addition, any necessary emergency work, such as that arising out of fire, storms, etc., is unrestricted.

Overtime is paid for at 1¼ times the ordinary rate of pay per hour or part of an hour.

(3) A closing hour of 6.30 p.m. for employees under the age of 18 years, except in the case of a restaurant, tearoom or eating-house, when the hour is extended to 8 p.m.

(4) One hour's rest in or after 5 hours; a weekly half-holiday; no work on Sundays or public holidays except in those shops in which trading is permitted by law on such days (e.g. tea-rooms).

If an employee in a shop of this class is required to work on a Sunday, he must not be employed for more than 6 days in that week, while if he works on a public holiday, one day's holiday on full pay must be granted within fourteen days.

(5) Full pay for all public holidays.

An employee may work one half-holiday or public holiday per annum on stocktaking and must be granted one day's holiday on full pay in lieu thereof within 30 days.

(6) Fourteen consecutive days' leave on full pay in respect of each period of 12 months.

Public holidays within such leave will extend it accordingly. Leave due but not granted on termination of employment must be paid for plus one day's pay for each month of service since leave last became due. Legitimate absences (including sickness up to 30 days per annum) count as service for leave, but employers are not required to pay their employees in respect of any period of absence due to sickness. In the case of sick leave absences in excess of 3 days, the employer may demand a medical certificate.

(7) Suitable seating accommodation for female employees, in the proportion of one seat to every three females, employees to be permitted to utilize the seats at all reasonable times.

(8) The prohibition of the employment of women in shops during the period commencing four weeks before the expected date of confinement and ending eight weeks after confinement.

Subject to certain prescribed conditions, a sum not exceeding £1 per week may be paid from public moneys, in respect of this period of 12 weeks, to any woman who discontinues work in a shop as a result of pregnancy.

(9) The making of Regulations by the Governor-General dealing, *inter alia*, with such matters as the sanitation, ventilation and lighting in shops and offices.

No such regulations are being made for the present.

Electrical Wiremen and Contractors Act, No. 20 of 1939.

The Electrical Wiremen and Contractors Act was passed in May and it constitutes one of the latest additions to the industrial laws administered by the Department. Regulations were framed under the Act, and these were published in December. The members of the Electrical Wiremen's Registration Board, a corporate body established by Section 2 of the Act, were also appointed in compliance with the provision of Section 3 of the Act, and the other necessary preliminaries were completed for the promulgation of the Act on the 1st January, 1940.

Before giving a concise summary of the Act it may be of some interest to trace briefly the circumstances which led up to the passing of this measure.

At various times during the last 20 years several of the larger municipalities in the Union framed by-laws governing the licensing and registration of electricians and wiremen, and in each case these by-laws included provisions for the examination of applicants and the establishment of suitable boards for the purpose. The by-laws referred to were duly promulgated under Provincial Ordinances and put into operation by the municipalities concerned. It was generally accepted that the local authorities were acting within their powers and the municipal examination and licensing boards continued to function without any objection being raised.

In the year 1935, however, the City Council of Pretoria, which had not hitherto exercised any legal control over electricians, framed a code of by-laws on the subject similar to those in force in other municipalities, and submitted them to the Administrator of the Transvaal for approval. A reply was received to the effect that the by-laws were *ultra vires* the powers of the Provincial Administration and could, therefore, not be approved. It appears that this decision was based on a legal ruling to the effect that, whilst in terms of the relative Provincial Ordinance, municipalities could be authorised to register or license electricians, no powers existed to enable them to hold examinations or to prescribe qualifications.

The position was considered by municipal electrical engineers who were unanimously of the opinion that, having regard to the object of such control, the mere registration or licensing of electricians was of little practical value unless powers were given to prescribe the qualifications necessary to obtain a licence and to refuse the issue of licences to incompetent and unqualified persons.

Representations were made to the Government, and after the practicability of amending existing legislation had been thoroughly explored, the Provincial Consultative Committee decided that the position would be more satisfactorily dealt with by means of a separate Act.

The measure has been designed with a view to safeguarding the public against injury by faulty electrical wiring. It contemplates the prevention of unqualified persons from doing wiring work, and it is an offence for any person who is not registered under the Act to do wiring work in areas determined by the Minister.

The Board consists of Mr. F. W. Joubert, M.I.Cert.E., Chief Inspector of Factories (*ex officio*), and the following members appointed by the Minister in terms of Section 3 of the Act:—

Messrs. A. Rodwell, M.I.E.E., M.I. Mech.E., M.(S.A.)I.E.E., M.I.E. (S.A.), as the selected Municipal Electrical Engineer; C. H. Clutterbuck. M.I.Mech.E., M.I.E.(S.A.), selected by the Minister for his administrative experience and for his knowledge of and practical experience in electrical technique; H. Gosse, representing contractors; and A. Elisio and J. L. Greet, representing wiremen. The Minister has designated Mr. C. H. Clutterbuck as Chairman of the Board.

The chief function of the Electrical Wiremen's Registration Board is the registration of wiremen after examining their qualifications. The Board is further charged with the duties of holding examinations for wiremen and determining which diplomas or certificates are necessary to qualify a person for registration; dealing with the suspension, cancellation and restoration of certificates of registration, and the making of recommendations to the Minister in regard to the application of the Act to any particular area in the Union.

The Act also provides for the control of the licensing and registration of electrical contractors by suppliers of electricity in cases where suppliers make by-laws by virtue of which such contractors are required to be licensed or registered. Appeals from contractors against the decisions of suppliers will be considered by the Board, from which a further appeal lies to the Minister.

These are the main features of the Act, in addition to which there are the necessary detailed provisions for its proper application. The Act was promulgated by Proclamation No. 308 of 1939, and the Regulations were published under Government Notice No. 1956 of the 8th December, 1939.

2. INDUSTRIAL CONCILIATION ACT, No. 36 of 1937.

The number of new Industrial Councils registered is the same as for the previous year, namely four, but this is not an adequate reflection of the efforts which wers made in several industries to place matters relating to conditions of employmene on a basis mutually satisfactory to employers and employees. No Councils were deregistered. Although the principles of conciliation as a means of regulating relations between employers and employees were introduced in 1924, their general application is a matter which must necessarily take considerable time; the Department is, however, satisfied that the benefits of the machinery provided by the legislation are now generally appreciated and that conciliation is taking the place of the lockouts and strikes which previously constituted an undesirable element in the relations between employer and employee.

Several Industrial Councils have, during the year under review, successfully applied for an extension in their areas of jurisdiction and in this way have increased the number of centres which now fall under wage regulation under the Act. The Department, however, still experiences difficulty in making some Councils, Employers' Organizations and Trade Unions realise that the entire basis upon which the Industrial Conciliation Act operates is one of willing co-operation between organizations of employers and employees and that the mere widening of the scope of Industrial Councils without due regard to the effectiveness of the organization of the parties cannot lead to a successful application of the Act. As an example may be quoted the case of one Industrial Council which urged that its area of jurisdiction be extended to areas from which competition was being felt. On enquiry it was found that no efforts had been made to organize with a view to enrolling as members of the parties to the Council employers and employees in the new areas. The Industrial Conciliation Act requires the Minister to be satisfied that the parties to an Industrial Council are sufficiently representative in the areas and of the interests concerned, and although the Department has in the past placed an extensive interpretation on this requirement in the Act, it is obvious that it would not be justified in recommending the registration of an area where the parties have no or very few members and have made very little effort to organize.

It has again been found necessary to draw attention to the falling off in membership of some employers' organizations and trade unions and to the apathy on the part of employers and employees towards taking an active part in the organization and control of their respective associations. In one case during the year under review it was necessary for the Minister to refuse publication of the agreement of an Industrial Council owing to the fact that the parties were not sufficiently representative.

Following the Industrial Legislation Commission's report, it has been the Department's policy to urge upon Industrial Councils the desirability of providing in their agreements for all classes of employees. It will in all probability be some years before this ideal is realised, but it is pleasing to record that several more Councils have, during the year, prescribed wages for additional classes of employees. These remarks are of particular application in so far as the introduction of legalised wages for unskilled labourers is concerned. Although not without difficulty, the Department's efforts in this direction have met with considerable success and the parties to the various Councils are beginning to realise that although the unskilled and lower paid workers are generally unorganized, it is just as necessary to stabilize their conditions of employment and thus provide a contented unskilled labour force as it is to settle disputes between the organized trade unionists and their employers.

The Industrial Conciliation Act permits of the formation of industrial councils for municipal undertakings, but only at one centre, viz. Bloemfontein, was advantage taken of this very desirable means of instituting permanent consultative machinery between a municipality and its employees.

Improvements in Conditions of Employment.—Reference has already been made to the stabilization of the wage rates of employees of the lower paid groups and it remains for some general indication to be given of the position of other employees subject to wage regulating instruments under the Industrial Conciliation Act. The Department continued to impress upon Industrial Councils the desirability of improving conditions of employment not only in so far as substantive wages are concerned, but also in the form of other benefits such as paid vacation and sick leave. In addition to the large number of agreements in which provision for annual leave already exists, several more Industrial Councils have taken action under this heading. The bulk of Industrial Councils have, however, opposed the extension of leave privileges to employees of the unskilled class, the reason being that periods of leave are generally based on the employee's length of service, and this group is particularly susceptible to frequent changes of employment, thus rendering the keeping of service records a difficult matter.

A number of agreements which were given the force of law during the year contain provisions for the establishment of funds to assist employees during temporary periods of unemployment. These funds are, however, likely to decrease in number as industries make use of the machinery of the Unemployment Benefit Act.

Owing to the expected rise in the cost of living due to the war, various Industrial Councils have discussed proposals for the introduction of a cost of living allowance. It is expected that several agreements containing provisions of the nature referred to will be submitted for publication early in 1940.

The Department has taken care to ensure that, when agreements which prescribe conditions of employment for employees who are subject to the provisions of the Shops and Offices Act are submitted for publication, the conditions of employment regarding hours of work, spreadover, holidays, etc., are generally not less favourable than those laid down in that Act. This policy has resulted in improvements in the working conditions of employees in trades of the type which may be described as "shop trades," e.g. hairdressing, tearoom, butchery, etc.

Demarcation.—The demarcation difficulties referred to in previous reports between the Building and Engineering Industries are still causing the Department some concern. The employers in the two industries reached agreement during the year on most of the disputed occupations, and the joint proposals were circulated to all the trade unions concerned and a conference of these bodies called. It is the Department's intention to call another conference of representatives of Industrial Councils in 1940, when it is hoped the points of difficulty will be finally disposed of. The Minister is, of course, empowered by the Industrial Conciliation Act to decide matters of this nature; he is, however, reluctant to exercise these powers unless there is a likelihood of the determination being acceptable to the majority of those affected thereby.

Conciliation Boards.—Sixteen Conciliation Boards were appointed during the year as compared with nine during the previous year. Of these, thirteen dealt with disputes between Municipalities and their employees.

The continual disputes which occur between the Durban Corporation and its employees, recorded in previous annual reports, still constitute a disturbing feature, and during the year six out of the sixteen boards appointed were in connection with disputes in the Durban Municipal undertaking. Attempts were made to establish an Industrial Council for the municipal undertaking at Durban, but thus far little progress can be reported. The Department's experience during the last 15 years has shown that industrial council machinery is much to be preferred to that of conciliation boards; for example, numerous possible causes of friction which would otherwise lead to serious disputes are removed in their infancy through the spirit of conciliation which develops out of the continual and close contact between representatives of employers and employees on Industrial Councils.

Of the three Conciliation Boards appointed to deal with disputes not concerned with municipal undertakings, one dealt with the dismissal of a single employee, but as a matter of principle was involved, the appointment of a board in terms of the Act was possible. At Cape Town another board dealt with a dispute in the meat trade, but no settlement was arrived at and the employees resorted to the strike weapon. The strike was settled as the result of efforts which were made to obtain for them improved conditions of employment. The third conciliation board was appointed to deal with a dispute regarding wages and other conditions of employment in the Brewing Industry at Port Elizabeth, and had not reported by the end of the year.

Of the sixteen boards appointed, six settled their respective disputes; one dispute went to arbitration; one board, i.e. that for the meat trade at Cape Town, failed to settle the dispute and could not agree as to whether or not arbitration proceedings should be resorted to, while in eight cases, proceedings were still in progress at the end of the year.

Strikes and Lockouts.—There were 20 disputes involving stoppages of work during the year as compared with 19 during 1938, but none was of importance. In the majority of cases natives were involved, and it is noteworthy that only in two instances were stoppages of work due to demands for increased wages. In the one instance an increase of 6d. per day was refused, while in the other, a demand for an increase of 5s. per month was acceded to by the employers, after approximately 300 natives employed in the Whaling Industry at Durban had stopped work for 6 days. Other stoppages were due to reasons such as allegations of bad treatment by compound managers, refusals to accept changes of work, and allegations of the work being too strenuous.

During 1939, 4,199 working days were lost compared with 2,871⅔ during the previous year, while only £379. 15s. 1d. was lost in wages as against £1,044. 10s. during 1938. The decrease in the amount of wages lost during 1939 as compared with the increase in the number of days lost during the same year bears testimony to the fact that mostly natives earning low wages were involved, although, as stated above, in only two cases were the stoppages of work due to demands for increased wages.

It should be noted that the conciliation machinery of the Industrial Conciliation Act is inapplicable where the dispute solely concerns natives.

Trade Unions and Employers' Organizations.—Comparative figures of the membership of employers' organizations and trade unions follow hereunder.

Employers' Organizations.

1934	5,004
1935	4,375
1936	6,560
1937	8,517
1938	8,906
1939	10,003

Trade Unions.

1934	77,737
1935	102,612
1936	149,893
1937	186,815
1938	215,822
1939	179,412

It will be observed that the membership figures of employers' organizations continued to increase. The trade union figures indicate an apparent decrease, but a number of returns is still outstanding. Records kept in terms of the Industrial Conciliation Act indicate that 148 registered trade unions and 109 registered employers' organizations were in existence at the end of 1939, representing an increase of 9 and 6 respectively over the figures for the previous year.

There has been marked activity amongst employees in various industries, and mention may be made of the registration of a national union for employees in the motor industry. The S.A. Electrical Workers' Association has also been active, having obtained registration in respect of several new areas, where organization of employees was successfully carried out.

A fair number of trade unions and employers' organizations which were registered under the 1924 Act, have during the year under review, brought their constitutions into line with the provisions of the 1937 Act. Not in all cases was this achieved without difficulty. In one instance an employers' organization appealed to the Minister in terms of the Act against the Industrial Registrar's decision; the appeal was, however, dismissed.

Although the Industrial Conciliation Act requires constitutions to provide for the maintenance of registers of members and records of the subscriptions paid by members, many employers' organizations and trade unions leave much to be desired in this direction. The result is that it is often difficult and sometimes impossible for Departmental inspectors to obtain exact figures when the question of the representative character of parties to industrial councils has to be considered. In order to improve the position, suggestions were called for from all the Department's district representatives, and it is intended to draw up a specimen register which may serve as a guide in recording those particulars required for the purpose of the Act.

Native trade unions continue to be established in the industrial areas, more particularly on the Rand, and considerable difficulty is experienced by certain industrial councils where complaints are lodged by a number of such unions competing amongst themselves in respect of the same classes of workers. Some form of control will eventually have to be introduced and this matter is at present under consideration.

In terms of the Act employers may not victimize employees for being members of a trade union, and it is gratifying to report that only one case of alleged victimization was reported to the Department during the year. The papers were placed in the hands of the Attorney-General, and arrangements were made to depute an industrial magistrate to try the case early in 1940.

Private Registry Offices.—Six applications for the registration of private registry offices were received during the year, but none of them were approved by the Industrial Registrar. In accordance with the terms of the International Labour Convention on Unemployment, which was ratified by the Union, the registration of new private registry offices is only approved if it can be shown that existing facilities for the placement of unemployed persons in the area concerned are inadequate.

Four registries ceased to operate during the year, with the result that the names of only 18 now appear on the register.

Supreme Court Decisions.

The more interesting and important Supreme Court judgments delivered during the year on matters connected with the Industrial Conciliation Act, are summarised hereunder :—

Stuttaford & Coy., Ltd., versus *Witwatersrand Master Hairdressers' Association* (*W.L.D., July*, 1939).—The Court ruled that in the absence of specific provisions in its constitution, the respondent Association could not discriminate between members by dividing them by resolution into two classes, the one class to charge 2s. for a haircut and the other 1s. 6d.

Z. and W. Andrews versus *Rex* (*T.P.D.* 18/9/39).—The appellants were charged in the Magistrate's Court with contravening a certain clause in an Industrial Council Agreement relating to the Baking and Confectionery Industry, in terms of which the delivery of bread on a Sunday was prohibited. The Supreme Court decided that the connotation of the word "delivery" which was usual in law did not apply, that the clause in question dealt with a very practical situation, not concerned with legal technicalities, and that the words "deliver, supply or hand over" were intended to put a stop to all disposals of the products of a bakery on a Sunday.

Becker versus *Rex* (*A.D.* 10/10/39).—The Appellant was charged and convicted for having failed to pay two of his employees at rates of wages prescribed in an Industrial Council Agreement relating to the Building Industry. The two employees were engaged in the construction of houses with concrete slabs or plates under a patent taken out by the appellant. The question which the Court decided was whether the work performed fell within one of the categories mentioned in the Agreement. The Court held that the definitions in the Agreement were of a highly artificial nature, they included activities which in common parlance would not be so included

and that it would not therefore be entitled in construing the extended meaning of an ordinary term to give it a still further extended meaning. In the circumstances the Court decided that the placement of a new type of concrete slab or plate was not included within the expression " fixing concrete blocks, artificial stone or precast stone."

Rex versus *Berold* (*C.P.D.* 17/4/39).—The accused, who was managing director of a company manufacturing plywoods and laminated woods, while erecting a new factory for his undertaking with *inter alia* his own employees (plywood workers), was charged with failing to pay those employees the rates of wages prescribed in an Industrial Council Agreement applicable to the Building Industry. He was found not guilty in the Magistrate's Court on the grounds that he was not an employer in the Building Industry. A stated case was then prepared under the Magistrates' Courts Act (No. 32 of 1917) for consideration by the Court of Appeal.

The Court ruled that the industry of making plywood did not include the erection of buildings necessary for that purpose and that although the doing of a casual job or the association of employer and employee for some trivial purpose would not bring an employer in one industry into another, directly he employed artisans of another industry and associated himself with them to do work of any magnitude which did not normally form part of his usual industry, he became an employer in the new industry. Whether or not an employer in one industry had also become an employer in another industry was a question of fact depending on the degree to which work was being performed in the other industry. The facts in this case showed that the number of men employed, the magnitude of the work and the period of time taken, clearly took it out of the category of a casual job or work of minor importance.

Rex versus *C. Drusinsky* (*C.P.D.* 1/11/39).—The evidence in the case disclosed that the accused had a system in operation whereby the employees were paid in full on a Saturday, but were required to repay certain amounts on Mondays. A charge was brought under Section 52 (2) of the Act which provides that an employer who requires or permits any employee to repay to him any wages under an agreement which has been given the force of law shall be guilty of an offence. The accused was duly found guilty, fined and ordered to refund the wages repaid to her. The Supreme Court upheld the conviction and sentence, but ruled that the order was incompetent as the amount concerned did not constitute wages underpaid but was a prohibited repayment by the employee, the employer in the first instance having paid the prescribed wages in full.

Emil Wancke and Max Schapiro versus *Rex* (*T.P.D.* 12/12/39).—The appellants were found guilty in the Magistrate's Court of underpaying an employee, were fined and ordered to pay an amount of £270. 8s. 6d. arrear wages. On appeal to the Supreme Court it was contended on behalf of the Crown that where under an Industrial Council Agreement an employee during the day performed different classes of work for which different wages were prescribed, he was entitled to remuneration at the highest scale. The Court decided that, in the absence of a specific provision to this effect in an Agreement, the contention on behalf of the Crown could not be upheld and that the employee concerned was consequently only entitled to payment at the rate applicable to a sheet-metal worker in respect of the periods during which he was actually employed in that capacity.

Statistics and Other Data.

1. Industrial Councils.

(*a*) No. of Industrial Councils in existence as at 1st January, 1939..... 50
(*b*) No. of Industrial Councils registered during 1939..... 4
(i) Witwatersrand Liquor and Catering Trade Industrial Council.
(ii) Industrial Council for the General Engineering Industry, East London.
(iii) Industrial Council for the Building Industry (Queenstown).
(iv) Industrial Council for the Bloemfontein Municipal Undertaking.
(*c*) No. of Industrial Councils de-registered during 1939..... —
(*d*) No. of Industrial Councils as at 31st December, 1939..... 54

2. No. of Conciliation Boards Appointed during 1939.

(i) South African Association of Municipal Employees *versus* Town Council of Brakpan.
(ii) South African Association of Municipal Employees *versus* Nigel Town Council.

(iii) Durban Municipal Employees' Society *versus* Durban City Council.
(iv) Johannesburg Municipal Transport Workers' Union *versus* City Council of Johannesburg.
(v) Durban Municipal Employees' Society *versus* Durban City Council.
(vi) Pietermaritzburg Municipal Tramway and Motor Employees' Union *versus* Pietermaritzburg City Council.
(vii) Johannesburg Municipal Employees' Association *versus* Johannesburg Municipality.
(viii) Durban Municipal Tramways and Motor Employees' Union *versus* Durban City Council.
(ix) South African Association of Municipal Employees *versus* Borough Council of Dundee.
(x) Durban Municipal Employees' Society *versus* City Council of Durban.
(xi) South African Association of Municipal Employees *versus* Town Council of Paarl.
(xii) Durban Municipal Tramways and Motor Employees' Union and Durban Municipal Employees' Society *versus* City Council of Durban.
(xiii) Durban Municipal Employees' Society *versus* City Council of Durban.
(xiv) Thomas Henry Jones *versus* African Consolidated Theatres, Ltd.
(xv) Cape Butchers', Blockmen's and Ordermen's Association *versus* National Meat Suppliers (Pty.), Ltd.
(xvi) Brewery Employees' Union (Cape) *versus* Messrs. South African Breweries, Ltd., and Messrs. Ohlsson's Cape Breweries, Ltd.

3. Industrial Council Agreements Published during 1939.

No.	Industry and Area.	Government Notice No.	Date.
1	Baking and Confectionery, Cape	1,725*	3/11/39
2	Baking and Confectionery, Port Elizabeth and Uitenhage	1,122*	28/ 7/39
3	Baking and Confectionery, Pretoria	361*	17/ 3/39
4	Bespoke Tailoring, Port Elizabeth and Uitenhage†	792	9/ 6/39
5	Brewing, Witwatersrand	543	21/ 4/39
6	Building, Witwatersrand and Pretoria	1,150*	4/ 8/39
7	Building, Cape Peninsula†	912*	23/ 6/39
8	Building, Cape Peninsula	1,346	8/ 9/39
9	Building, Durban	1,969*	8/12/39
10	Building, Pietermaritzburg	1,077*	21/ 7/39
11	Building, Bloemfontein	1,523*	6/10/39
12	Building, Port Elizabeth	978*	7/ 7/39
13	Building, Grahamstown	539*	21/ 4/39
14	Canvas and Ropeworking, Witwatersrand and Pretoria	2,084*	29/12/39
15	Clothing, Transvaal	1,025	14/ 7/39
16	Clothing, Cape†	1,683*	27/10/39
17	Clothing, Eastern Province	1,928*	1/12/39
18	Commercial Distributive, Kimberley	472*	6/ 4/39
19	Engineering, Natal	20*	6/ 1/39
20	Engineering, Natal	1,849*	24/11/39
21	Engineering, Transvaal†	514*	14/ 4/39
22	Engineering, Transvaal†	1,599*	13/10/39
23	Engineering, Cape	1,890*	1/12/39
24	Engineering, East London	1,535*	6/10/39
25	Furniture, Union	281*	3/ 3/39
26	Hairdressing, Witwatersrand†	130	27/ 1/39
27	Hairdressing, Witwatersrand	571*	28/ 4/39
28	Hairdressing, Durban	1,351*	8/ 9/39
29	Hairdressing, Durban†	1,630	20/10/39
30	Leather, Union	1,848*	24/11/39
31	Liquor and Catering, Pretoria	50*	13/ 1/39
32	Liquor and Catering, Durban†	1,336	1/ 9/39
33	Liquor and Catering, Durban†	1,736	3/11/39
34	Liquor and Catering, Durban	2,085*	29/12/39
35	Meat (Wholesale), Witwatersrand and Pretoria	1,062*	21/ 7/39
36	Meat (Retail), Witwatersrand	1,069*	21/ 7/39
37	Motor, Natal†	471*	6/ 4/39
38	Motor, Natal	1,536*	6/10/39
39	Motor, Orange Free State	1,209*	11/ 8/39
40	Motor, Cape†	1,204*	11/ 8/39
41	Motor, Cape†	1,787*	10/11/39
42	Motor, Eastern Province	1,099*	28/ 7/39
43	Motor, East London	245*	24/ 2/39
44	Motor Vehicle Driving, Cape	251*	24/ 2/39
45	Motor Vehicle Driving, Cape†	2,021	15/12/39
46	Native Trade, Witwatersrand and Heidelberg	1,850*	24/11/39
47	Printing and Newspaper, Union	1,076*	21/ 7/39
48	Stevedoring, Cape	2,008*	15/12/39
49	Tearoom, Restaurant and Catering, Johannesburg	1,931*	1/12/39

* In the case of these industries and trades the agreements were either extended to natives in the notices in which they were published or were subsequently extended by separate notices published in terms of Section 48 (4) of the Act.

† Extension of existing agreement.

4. Approximate Number of Persons Affected by Agreements and Awards.

Date.	Conciliation Board Agreements.		Awards.		Industrial Council Agre ments.		Totals.	
	Em-ployers.	Em-ployees.	Em-ployers.	Em-ployees.	Em-ployers.	Em-ployees.	Em-ployers.	Em-ployees.
31/3/39.....	4	203	3	2,601	5,159	59,938	5,166	62,742
30/6/39.....	1	11	4	1,957	6,250	62,906	6,255	64,874
30/9/39.....	1	11	5	1,967	9,132	89,894	9,138	91,872
31/12/39.....	2	154	2	898	10,629	96,095	10,633	97,147

5. Comparative Statement of Wage Regulating Instruments under the Industrial Conciliation Act.

Date.	Number of			Approximate Number of	
	Industrial Council Agreements.	Conciliation Board Agreements.	Awards.	Employers.	Employees.
30/6/33.....	22	3	3	3,027	40,240
30/6/34.....	21	1	3	2,723	42,233
31/12/34.....	29	2	5	3,806	52,449
31/12/35.....	28	2	5	3,621	49,282
31/12/36.....	35	6	2	4,845	47,939
31/12/37.....	38	3	2	6,431	71,640
31/12/38.....	37	3	3	7,915	86,794
31/12/39.....	43	2	2	10,633	97,147

6. Disputes Involving Cessation of Work, 1939.

No.	Industry or Trade.	Area.	Duration.		Employees Affected.		Approximate No. of Days Lost By Workers.		Estimated Wages Lost By	
			Days.	Hours.	Europeans.	Non-Europeans.	Europeans.	Non-Europeans.	Europeans.	Non-Europeans.
									£ s. d.	£ s. d.
1	Dry Cleaning	Port Elizabeth	—	½	—	3	—	¼	—	—
2	Salt Works	Britstown	1	—	—	35	—	32½	—	3 5 0
3	Coal Mining	Dannhauser, Natal	—	5	—	300	—	187½	—	35 0 0
4	Manganese Mining	District Hay, Kimberley	—	8	—	350	—	350	—	31 0 0
5	Furniture Industry	Johannesburg	3	—	5	3	5	3	—	—
6	Timber Merchants	Durban	2	—	—	600	—	1,200	—	60 0 0
7	Excavating for Dam	Pietermaritzburg	1	—	—	35	—	35	—	2 18 4
8	Gold Mining	Randfontein	—	3	—	1,500	—	562½	—	—
9	Furniture Industry	Johannesburg	—	3½	13	8	5	3	4 17 10	2 18 9
10	Coal Mining	Vryheid, Natal	1	—	—	350	—	350	—	25 0 0
11	Leather Industry	Johannesburg	—	8	3	17	2½	14	2 8 10	4 8 4
12	Furniture Industry	Johannesburg	—	17	11	4	3½	1	3 18 8	1 3 5
13	Whaling Industry	Durban	5	—	—	600	—	311¼	—	12 0 0
14	Brickmaking	Bedfordview, Johannesburg	1	—	—	235	—	235	—	16 8 0
			1	—	—	11	—	11	—	1 2 3
15	Leather (Footwear Manufacturing)	Durban	1	—	3	—	3	—	5 0 0	—
16	Motor Industry	Potchefstroom	2	—	5	43	2	21	22 6 9	47 10 1
17	Engineering	Port Elizabeth	3	—	—	60	—	137	—	4 1 6
18	Gutscraping Factory	Cape Town	1	—	—	600	—	685	—	60 0 0
19	Coal Mining	Vereeniging, Transvaal	4	—	9	4	27	12	23 11 10	10 15 6
20	Furniture Industry	Johannesburg	—	—	49	4,758	48	4,151	62 3 11	317 11 2

Strikes and Lockouts.—Twenty disputes involving the cessation of work occurred during the year, but were all of comparatively short duration, the longest being for 5 days, while in seven cases the stoppage lasted less than a day. The total wages lost by employees owing to cessation of work was £379. 15s. 1d., just over one-third the figure for the previous year.

3. WAGE ACT, No. 44 OF 1937.

The extension of wage regulation under the Wage Act, which was so marked a feature of the Department's activities during 1938, was continued during 1939. The tables on pages 47, and 49, respectively show in a concise form the references whic hwere issued to the Wage Board, and the Determinations which were given the force of law during the year.

Despite the volume of work disposed of by the Board, the list of industries and trades awaiting investigation or reinvestigation remains a lengthy one. Additions to the list are made not only as a consequence of departmental enquiries, but also upon the application of industrial organizations which desire their industries to be brought within the scope of the Act. In all nine references were passed to the Wage Board in terms of Section 4 (1) (*a*) of the Act, and the position at the end of the year in connection with each investigation is given in the table on page 47.

Two of these references were in respect of motor drivers employed on the Witwatersrand and in Pretoria in the transportation of goods and of passengers and were issued at the request of the Witwatersrand and Pretoria Motor Transport Workers' Union.

In 1938 negotiations took place between employers and employees in the tinware and metal container manufacturing industries with a view to stabilising wages and other conditions of employment. Although the employers were not opposed to wage control, no agreement was reached as it was found impossible to bring under the agreement firms in other industries which manufactured tinware and metal containers for their own requirements. A large proportion of the containers manufactured was found to be made by firms not in the Metal Container Manufacturing Industry proper. At the request of certain employers and the South African Trades and Labour Council, therefore, the Minister authorised the issue of two references embracing the various activities in question.

From time to time complaints have been received in regard to the wages paid to shop assistants and waitresses in towns not covered by determinations. The National Union of Distributive Workers made representations on the subject, asking that wage regulation should be extended to shops in the more important of the small towns, and the Advisory Council of Labour also considered the matter and recommended the gradual extension of wage regulation to rural areas. In August a reference was accordingly passed to the Wage Board to carry out an investigation into the wages and other conditions of employment of employees in shops and cafés in sixteen of the largest country towns.

Following reports made by the Town Council of Port Elizabeth showing unsatisfactory conditions of employment at the municipal abattoir, it was decided that the Wage Board should carry out an investigation into the Meat Trade at Port Elizabeth. References were at the same time issued in respect of Cape Town and East London.

In pursuance of the policy recommended by the Industrial Legislation Commission, steps have been taken with a view to improving the wage rates of the lower paid categories of workers. Determinations fixing minimum wages and conditions of employment of unskilled labourers generally are in force in Bloemfontein and Cape Town, and the Wage Board received a reference to investigate unskilled labour in Durban in 1938. On the 12th October, 1939, a further reference in connection with unskilled labourers was issued when the Board was requested to report upon the wages and other conditions of employment of this class in twenty-seven industries in the magisterial district of Port Elizabeth.

Wage Board Investigations and Determinations.—Nine references were issued to the Board by the Minister in terms of Section 4 (1) (*a*) of the Act during the calendar year 1939. In the case of the Commercial Distributive and Catering Trades in the smaller towns the Board was asked to report upon the conditions of employment, but was not directed to submit a Recommendation. This method of procedure has the advantage of enabling the Minister to ascertain from the Board's Report to what extent wage regulation is desirable and practicable, and the subsequent direction to the Board to submit a Recommendation can then be drafted accordingly. Little delay results from the adoption of this procedure, as the Board is possessed of the requisite data when it receives the Minister's direction.

Particulars of Determinations made during the year are given on page 49.

DETERMINATIONS OPERATIVE AT 31ST DECEMBER, 1939.

No.	Trade or Industry.	Area.	Published Under	
			Government Notice.	Date.
52	Baking and Confectionery	Durban and Pietermaritzburg	324	16/ 3/34
60	Baking and/or Confectionery	Witwatersrand	1,025	24/ 6/38
60	Baking and/or Confectionery	Extended to Pretoria	1,762	28/10/38
22	Barmen	Bloemfontein and Kimberley	1,826	26/10/28
44	Bespoke Tailoring	Principal industrial areas (excluding Witwatersrand, Queentown and Mossel Bay)	1,201	16/ 9/32
64	Brickmaking and/or Tilemaking	Cape Peninsula	1,516	16/ 9/38
54	Building Industry	Port Elizabeth	1,173	17/ 8/34
37	Catering Trade	Principal industrial areas (excluding Witwatersrand)	548	2/ 4/31
42	Clothing Manufacturing	Bellville, Uitenhage, East London, Bloemfontein and Kimberley	540	22/ 4/32
38	Commercial Distributive Trade	Principal industrial areas	1,150	10/ 7/31
50	Furniture Manufacturing	Kimberley	399	24/ 3/33
58	Furniture Manufacturing	Oudtshoorn	1,907	10/12/37
65	Furniture Manufacturing and Woodworking	George, Knysna and Humansdorp	187	10/ 2/39
45	Glass Bevelling and Silvering	Union of South Africa	1,233	23/ 9/32
40	Hairdressing	Cape Town	1,916	11/12/31
47	Hairdressing	Port Elizabeth	80	20/ 1/33
49	Hairdressing	Bloemfontein	355	17/ 3/33
62	Hairdressing	Pretoria	1,176	15/ 7/38
67	Laundering, Cleaning and Dyeing	Principal industrial areas	684	12/ 5/39
57	Liquor and Catering	Witwatersrand	1,420	17/ 9/37
68	Liquor and Catering	Cape Peninsula	1,679	27/10/39
61	Meat Trade	Durban	1,064	24/ 6/38
56	Motor Transport Driving	Witwatersrand and Pretoria	377	12/ 3/37
59	Motor Transport Driving	Durban	975	17/ 6/38
66	Oatmeal Manufacturing	Cape	683	12/ 5/39
69	Private Hotels, Boarding-houses, Flats and Rooms	Cape Peninsula	1,678	27/10/39
64	Quarrying and/or Stonecrushing	Cape Peninsula	1,516	16/ 9/38
64	Roadmaking	Cape	1,516	16/ 9/38
48	Sweet Manufacturing	Principal industrial areas	232	24/ 2/33
19	Tea, Coffee and Chicory	Principal industrial areas	1,546	7/ 9/28
55	Textile Manufacturing	Union of South Africa	158	29/ 1/37
25	Unskilled Employment	Bloemfontein	2,207	21/12/28
63	Unskilled Work	Cape Town	1,467	9/ 9/38

The following determinations were wholly or partly suspended during the currency of industrial council agreements :—

No.	Trade or Industry.	Area in which suspended.
60	Baking and/or Confectionery Trade	Pretoria.
44	Bespoke Tailoring	Witwatersrand and Port Elizabeth.
54	Building Industry	Port Elizabeth.
37	Catering Trade	Witwatersrand.
42	Clothing Manufacturing	Witwatersrand, Pretoria, Durban and districts and Cape Peninsula.
50	Furniture Manufacturing	Principal industrial areas.
58	Furniture Manufacturing	Oudtshoorn.
40	Hairdressing Trade	Witwatersrand.
53	Native Trade	Witwatersrand.
25	Unskilled employment in the Building, the Printing and Newspaper and the Motor Industries	Bloemfontein.

COMPARATIVE STATEMENT OF DETERMINATIONS UNDER THE WAGE ACT.

Date.	Number of Determinations Operative.	Approximate number of	
		Employers.	Employees.
31/12/33	19	13,788	66,437
31/12/34	20	14,296	73,348
31/12/35	19	14,317	74,392
31/12/36	19	13,806	67,774
31/12/37	22	14,986	68,594
31/12/38	27	15,612	74,109
31/12/39	31	14,613	114,829

Exemptions.—The application of Section 19 of the Wage Act which makes provision for the granting of exemptions in exceptional circumstances has permitted of the necessary flexibility being introduced in the administration of the Act to ensure the avoidance of dislocation in industry. Determinations cannot be so worded that they will meet every possible combination of circumstances, but by judicious use of the power to grant exemptions, the Department has been enabled to enforce the Determinations with a minimum of hardship to individuals. As in previous years, the majority of exemptions granted in 1939 were in respect of persons unable to earn the prescribed wage by reason of old age, physical disability or lack of experience. Exemption certificates were generally made operative for six-monthly periods, with a view to the raising of the wages of the employees concerned to the prescribed minimum rate of pay in as short a time as possible.

Certain exemptions were granted to enable bakers to deliver bread on public holidays which followed Sundays. Another case in the Baking and Confectionery Trade concerned a bakery owned and staffed by Natives, and trading only with Natives. In the Catering (Tearoom) Trade, it was found desirable to grant exemptions, following upon stricter enforcement of the relevant Determination as a result of an increase in the number of routine inspections, while others were granted to hotels engaged in the Liquor and Catering Trade in respect of "spreadover" of the hours of work in relation to special functions for which the employer catered. At Durban, exemption was granted to permit of the employment of part-time bookkeepers in the Meat Trade.

There were sixty-two exemptions from the wage provisions, and twenty-nine from the other provisions contained in the new Determinations which were brought into force during the latter portion of 1938 and during the course of the year 1939. The numbers were somewhat large in consequence of the policy of the Department of introducing wage legislation gradually in the case of industries not previously subject to wage regulation, but the volume will be reduced very considerably as the industries concerned become adjusted to the new conditions.

Exemptions Granted under the Wage Act.

Determination No.	Trade or Industry.	Number Granted.					Total Current at End of December.				
			1939.					1939.			
		1938.	From Wage Provisions.	From Other Provisions.	For Total Exemption.	Total.	1938.	From Wage Provisions.	From Other Provisions.	For Total Exemption.	Total.
52	Baking and Confectionery Trade, Natal	1	15	—	—	15	1	8	1	—	9
60	Baking and/or Confectionery Trade, Witwatersrand and Pretoria	20	7	17	3	27	13	6	8	2	16
22	Barmen, Bloemfontein and Kimberley	2	—	—	—	—	4	2	—	—	2
44	Bespoke Tailoring Industry	14	8	2	—	10	19	8	5	—	13
64	Brickmaking and/or Tilemaking, Cape Peninsula	—	20	7	—	27	—	7	7	—	14
54	Building Industry, Port Elizabeth	—	4	—	—	4	—	1	—	—	1
37	Catering Trade	12	14	12	—	26	11	13	17	—	30
42	Clothing Manufacturing Industry	33	20	7	—	27	17	7	6	—	13
38	Commercial Distributive Trade	403	238	147	—	385	342	191	160	—	351
58	Furniture Manufacturing Industry, Oudtshoorn	1	—	—	—	—	1	—	—	—	—
65	Furniture Manufacturing and Woodworking Industries, George, Knysna and Humansdorp	—	16	—	—	16	—	10	—	—	10
40, 47 49 and 62	Hairdressing Trade	11	11	4	—	15	6	6	5	—	11
43 and 67	Laundering, Cleaning and Dyeing Trade	16	8	20	—	28	21	8	20	—	28
57	Liquor and Catering Trade, Witwatersrand	10	11	49	1	61	9	9	39	2	50
68	Liquor and Catering Trade, Cape Peninsula	—	2	1	—	3	—	2	1	—	3
61	Meat Trade, Durban	6	16	2	—	18	6	10	1	—	11
56	Motor Transport Driving, Witwatersrand and Pretoria	30	15	6	2	23	24	9	18	2	29
59	Motor Transport Driving, Durban	—	11	2	—	13	—	4	1	—	5
69	Private Hotels, Boarding-houses, Flats and Rooms, Cape Peninsula	—	4	1	1	6	—	4	1	1	6
66	Oatmeal Manufacturing Industry, Cape	—	1	—	—	1	—	1	—	—	1
64	Quarrying and/or Stonecrushing Industry, Cape Peninsula	—	11	—	—	11	—	9	—	—	9
48	Sweet Manufacturing Industry	3	—	—	—	—	3	—	2	—	2
19	Tea, Coffee and Chicory Industry	9	4	2	—	6	7	6	3	—	9
55	Textile Industry	2	2	1	—	3	1	3	—	—	3
25	Unskilled Employment, Bloemfontein	12	4	—	—	4	27	24	—	—	24
	Totals	585	442	280	7	729	512	348	295	7	650

Supreme Court Decisions.

Appended is a summary of the more important cases brought before the Supreme Court under the Wage Act during 1939.

Stoller versus *Rex* (*T.P.D.* 31/3/39 and *A.D.* 26/9/39).—The history of the earlier stages of the Stoller case was fully set out in the Wage Board's Report for 1938, which was incorporated in the Departmental Report for that year.

The case now under consideration settled the following points:—

(*a*) It is *ultra vires* the powers of the Wage Board to prescribe a condition under which it is made an offence on the part of an employer if his employee does not keep certain records, where the employer is not in a position to compel the employee to do so;

(*b*) where one clause in a Determination is held to be invalid the rest of the Determination is not thereby invalidated.

Guisseppi Rossi versus *Rex* (*T.P.D.* 24/4/39).—Where different classes of employees do similar work and the only distinguishing factor in the definitions of the classes is that employees of the one class supervise employees of the other class in the performance of the work, the definitions are neither ambiguous nor invalid.

Rex versus *Light and Spektor* (*C.P.D.* 16/6/39).—In the lower Court the accused had been described in the charge as directors of the Salt River Sweet Works; the charge went on to say that they, being employers in the Sweet Manufacturing Industry, had contravened the Determination by paying an employee who was engaged as an assistant sweetmaker, a wage lower than £3 per week. A conviction was obtained against which an appeal was noted.

In the Supreme Court it was pointed out that the accused persons individually were before the Court, charged as employees and not as employers. The real employer—the company—was not before the Court. Where an employer is before the Court, there is a certain presumption against him, but where a manager, an agent, or an employee is before the Court, the onus of proof is on the Crown to show that the act or omission occurred in the course of his employment. In the present case, the Magistrate had a doubt in his mind as to whether the accused persons knew that the employee was acting as an assistant sweetmaker; consequently, a conviction should not have ensued. The appeal, therefore, succeeded.

Rex versus *Bresler* (*C.P.D.* 15/6/39).—The appeal in this case was on the question whether the accused fell under Determination 63 or not. The accused pleaded that although he was engaged in carting away rubbish resulting from the demolition of houses, his business was that of a cartage contractor.

Reference was made to paragraph 1 of the Determination, wherein it is stated that the Determination "shall apply to all employees engaged in unskilled work *in connection with* (*inter alia*) the demolition of buildings." It was held that the words "in connection with" must be given a very wide meaning, and that if there was any doubt upon the point it was entirely done away with by the definition of "unskilled work," which included "removing any portion of a building." The appeal was dismissed.

Rex versus *Aron* (*C.P.D.* 16/6/39).—The ground of appeal was that the Magistrate had erred in determining that any amount should be paid by the accused since, although he had been found guilty, reprimanded and discharged, this did not amount in law to a conviction. The decision of the Magistrate was upheld on appeal, since the accused had been found guilty, and although sentence took the form of reprimand and discharge this did not affect the issue. It was held that the object and intention of Sections 20 and 21 of the Act were that a determination and order must be made in every case where an accused person was found guilty of making an underpayment.

The appeal was dismissed.

Mendel Ozen versus *Rex* (*T.P.D.* 4/12/39).—The appellant had been convicted in the lower Court of failing to pay an employee the specified minimum wage due to her, and also of having required or permitted the employee to give a receipt for more than the remuneration actually received. The appellant justified his actions on the ground that the employee had authorised him to set off against her claim to wages, certain sums due for goods purchased by her and by her brother-in-law.

In upholding the decision of the lower Court, it was held that the production of the receipt signed by the employee did not upset the presumption of non-payment, nor did it place on the Crown the onus of proof which under the Act rested on the accused. The Court was called upon to consider whether, upon all the facts and circumstances concerning the issue of the receipt, the appellant employer had established a balance of probability that he had discharged his obligations towards the employee. The Court accepted the complainant employee's evidence as establishing—

(1) that she did not consent to her wages being appropriated; and

(2) that the receipt represented an alleged acknowledgment of the payment to her of moneys which in fact she had not received.

4. ENFORCEMENT OF WAGE REGULATING MEASURES.

The improvement in the degree of compliance with the various wage regulating instruments recorded in the last annual report was well maintained during the period under review. The system of appointing selected officials of Industrial Councils as designated agents with powers similar to those of Departmental Inspectors may be said to have passed the experimental stage and to have proved its worth. As a consequence of this, the effectiveness of inspection has been greatly increased as these agents are, under their extended powers, permitted the right of entry into and inspection on the premises of employers who are not parties to the Agreements of the Industrial Councils concerned, thus relieving to some extent the Departmental inspectors previously responsible for this work, and making more time available for the inspection of establishments covered by the new wage determinations.

The enforcement of labour legislation has been considerably improved by the appointment by the Department of Justice of special Industrial Magistrates and prosecutors at certain centres and by allocating professional assistants to the

Attorneys-General to conduct industrial prosecutions. The experience gained by these officials has resulted in a more even and consistent application of industrial law than was the case previously and the system has thoroughly proved its worth.

The increased penalties imposed by the Courts and the threat of cancellation of the registration certificate without which no employer may carry on business, have also contributed largely to the successful application of the laws concerned. The seriousness with which offences against industrial legislation are now viewed by the courts has resulted in large numbers of enquiries from employers and employees as to the legal interpretation to be given to the various provisions, and it has become necessary to stress the fact that the Department cannot assume the function of a legal adviser or of the court : it can merely express its own opinion on the correct interpretation of the law in question and if its views are not concurred in by the enquirer, the latter should consult his own legal advisers. The Department naturally does not enforce claims based upon interpretations with which it disagrees, but the point is sometimes overlooked that a claimant who disagrees with the Department's viewpoint is at liberty to approach the Attorney-General or his deputies direct with a view to criminal proceedings being instituted.

An outstanding feature of wage legislation enforcement during the year has been the activity shown by certain Native Trade Unions in reporting contraventions in which their members are involved. The Department has always viewed as one of the essentials of effective enforcement, the existence and co-operation of well organised and active Trade Unions. These unions have in the past consisted mainly of Europeans, and it seems clear that the Native is becoming increasingly conscious of the advantages of organization. In some of the larger centres, rivalry between Native unions catering for parallel interests has become marked and no doubt the activity of these unions in putting forward complaints on behalf of their members results in an increase in membership. Many of the complaints lodged have proved to be ill-founded or to arise from misinterpretation of the provisions of the relative instruments, but a large number of evasions of the law have been exposed through their agency.

Government Contracts and Manufacturers' Rebate Licences.—The system whereby the Department maintains close contact with the Union Tender and Supplies Board, the Board of Trade and Industries and the South African Railways and Harbour Administration and advises these authorities from time to time of the names of employers found guilty of contravening industrial legislation, is still in operation, and an effort is being made to extend the system to Provincial Tender Boards. The risk of being debarred from Government contracts is a very potent factor in persuading employers to observe the provisions of the industrial laws of the country. The threat of the withdrawal of manufacturers' customs rebate also assists materially in maintaining proper standards in regard to conditions of employment.

Statistics.

(i) Number of Inspectors and Inspections.

(*a*) *Inspecting Staff at 31st December*, 1939.

Divisional Inspectorate.	Number of Inspectors.				
	Divisional Inspectors.	Inspectors of Factories.		Industrial Inspectors.	Total No. of Inspectors.
		Part I.	Part II (Engineering).		
Johannesburg	2 (*a*), (*b*)	7	5	14 (*c*)	28
Pretoria	1 (*b*)	—	—	4	5
Durban	1 (*b*)	2	3	7 (*d*)	13
Capetown	1 (*b*)	4	3	9	17
Port Elizabeth	1 (*b*)	2	1	5	9
East London	1 (*b*)	—	1	1	3
Bloemfontein	1 (*b*)	1	1	1 (*e*)	4
Totals	8	16	14	41	79 (*f*)

(*a*) Includes one Assistant Divisional Inspector.

(*b*) Holds an appointment as Inspector of Factories.

(*c*) Two stationed at Benoni and one at Krugersdorp.

(*d*) One stationed at Pietermaritzburg.

(*e*) Stationed at Kimberley.

(*f*) In addition, there is one Industrial Inspector with his headquarters at the head office of the Department.

(*b*) *Number of Inspections during* 1939.

Inspectorate.	Factories Act.		Industrial Conciliation Act.	Wage Act.	Apprenticeship Act.	Workmen's Compensation Act.	Miscellaneous.	Total.
	Part I.	Part II.						
Johannesburg.	8,436	4,118	1,048	4,885	790	2,148	1,368	22,793
Pretoria.....	8	—	297	1,586	62	1,586	866	4,405
Capetown.....	2,061	3,091	221	2,454	171	1,233	614	9,845
Durban.....	2,745	3,625	199	3,458	66	484	199	10,776
Port Elizabeth	908	1,262	295	721	48	296	82	3,612
East London..	227	948	138	436	72	118	129	2,068
Bloemfontein } Kimberley... }	556	504	62	492	68	152	106	1,940
Totals...	14,941	13,548	2,260*	14,032	1,277	6,017	3,364	55,439

* The majority of the inspections under the Industrial Conciliation Act are carried out by agents of industrial councils and not by departmental inspectors. The statistics given do not include inspections by agents.

(ii) Number of Prosecutions and Convictions.

(*a*) *Industrial Conciliation Act.*

Trade or Industry.	1938.		1939.	
	Prosecutions.	Convictions.	Prosecutions.	Convictions.
Baking Industry.....	6	4	1	1
Bespoke Tailoring Industry.....	6	4	17	17
Building Industry.....	344	311	242	227
Clothing Industry.....	22	21	17	17
Commercial Distributive Trade.....	5	5	—	—
Engineering Industry.....	12	8	6	4
Furniture Industry.....	48	40	61	56
Hairdressing Trade.....	41	39	58	50
Leather Industry.....	3	3	2	2
Liquor and Catering Trade.....	1	1	1	—
Meat Trade (Retail).....	9	9	11	10
Meat Trade (Wholesale).....	2	—	—	—
Motor Industry.....	14	12	64	54
Motor Vehicle Driving Occupation.....	3	3	17	15
Native Trade.....	27	22	20	17
Printing and Newspaper Industry.....	18	18	8	8
Tea Rooms and Restaurants.....	16	14	4	4
Miscellaneous Charges.....	9	8	62	54
Totals.....	586	522	591	536

(*b*) *Wage Act.*

Determination No.	Trade or Industry.	1938.		1939.	
		Prosecutions.	Convictions.	Prosecutions.	Convictions.
60	Baking and/or Confectionery Trade, Witwatersrand and Pretoria.....	2	2	27	26
52	Baking and Confectionery Trade, Natal....	3	3	—	—
44	Bespoke Tailoring Industry.....	8	7	3	2
54	Building Industry, Port Elizabeth.....	2	2	1	1
37	Catering Trade.....	14	14	18	18
42	Clothing Manufacturing Industry.....	6	5	6	6
38	Commercial Distributive Trade.....	43	37	74	63
58	Furniture Manufacturing Industry.....	—	—	2	1
50	Furniture Manufacturing Industry.....	6	4	—	—
45	Glass Bevelling and Silvering Industry....	1	1	—	—
40, 47 and 62	Hairdressing Trade.....	6	5	5	5
43 and 67	Laundering, Cleaning and Dyeing Industry	19	18	16	15
57	Liquor and Catering Trade, Witwatersrand	17	16	38	33
56	Motor Transport Driving, Witwatersrand and Pretoria.....	1	1	27	26
59	Motor Transport Driving, Durban.....	—	—	2	2
48	Sweet Manufacturing Industry.....	3	3	2	2
19	Tea, Coffee and Chicory Industry.....	2	2	1	1
63	Unskilled Work, Cape Town.....	—	—	1	1
	Miscellaneous Charges.....	130	126	76	76
	Totals.....	263	246	302	281

(iii) Arrear Wages and Underpayments.

(a) *Underpayments Recovered by Department without Recourse to Legal Action.*

(The figures in brackets represent the number of employees affected.)

Inspectorate.	Factories Act.	Industrial Conciliation Act.	Wage Act.	Miscellaneous.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Johannesburg	59 17 3 (18)	477 17 10 (45)	8,838 12 3 (3,227)	—	9,376 7 4 (3,290)
Pretoria	40 10 2 (27)	21 17 8 (7)	1,570 11 4 (304)	268 8 10 (22)	1,901 8 0 (360)
Durban	—	—	3,938 13 9 (679)	64 12 10 (12)	4,003 6 7 (691)
Capetown	—	380 17 3 (205)	4,354 14 11 (673)	5 8 6 (2)	4,741 0 8 (880)
Port Elizabeth	3 3 5 (5)	114 4 0 (12)	1,297 6 11 (432)	8 6 9 (3)	1,423 1 1 (452)
East London	—	—	178 18 8 (17)	10 19 9 (6)	189 18 5 (23)
Kimberley / Bloemfontein	103 7 9 (45)	81 6 6 (8)	628 7 1 (87)	9 5 9 (1)	822 7 1 (141)
Totals £	206 18 7 (95)	1,076 3 3 (277)	20,807 4 11 (5,419)	367 2 5 (46)	22,457 9 2 (5,837)

(b) *Orders of Court under the Industrial Conciliation Act and Wage Act.*

Industrial Conciliation Act.

Inspectorate.	*Amounts ordered to be Paid to		Amounts Paid to		Irrecoverable.	
	Employees.	†C.R.F.	*Employees.	†C.R.F.	Employees.	†C.R.F.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Johannesburg	7,068 0 2	2,199 8 0	3,020 16 6	1,020 5 2	794 19 2	83 2 6
Pretoria	1,350 15 10	505 1 3	255 10 0	317 6 8	193 7 0	30 0 0
Durban	1,146 8 11	157 10 3	220 18 6	73 16 4	105 17 8	6 3 2
Cape Town	4,878 6 6	330 15 10	1,338 0 0	66 16 3	282 19 8	—
Port Elizabeth	456 2 0	15 9 6	84 18 7	15 9 6	111 17 9	—
East London	1 2 6	—	—	—	—	—
Kimberley / Bloemfontein	84 2 4	62 0 0	76 13 0	62 0 0	—	—
Totals	14,984 18 3	3,270 4 10	4,996 16 7	1,555 13 11	1,489 1 3	119 5 8

Wage Act.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s d	£ s d
Johannesburg	3,626 12 5	635 7 8	1,591 19 11	422 4 5	61 10 6	—
Pretoria	344 8 2	2 15 3	207 4 1	—	—	—
Durban	269 1 1	55 19 0	46 18 10	1 6 8	—	—
Cape Town	1,750 5 6	671 2 10	568 0 8	257 11 9	7 18 6	—
Port Elizabeth	412 11 1	79 7 2	225 10 11	37 14 9	163 15 0	16 17 7
East London	24 19 0	—	—	—	—	—
Kimberley / Bloemfontein	—	—	—	—	—	—
Totals	6,427 17 3	1,444 11 11	2,639 14 5	718 17 7	233 4 0	16 17 7

Total Orders under Both Acts.

	£ s d	£ s d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Johannesburg	10,694 12 7	2,834 15 8	4,612 16 5	1,442 9 7	856 9 8	83 2 6
Pretoria	1,695 4 0	507 16 6	462 14 1	317 6 8	193 7 0	30 0 0
Durban	1,415 10 0	213 9 3	267 17 4	75 3 0	105 17 8	6 3 2
Cape Town	6,628 12 0	1,001 18 8	1,906 0 8	324 8 0	290 18 2	—
Port Elizabeth	868 13 1	94 16 8	310 9 6	53 4 3	275 12 9	16 17 7
East London	26 1 6	—	—	—	—	—
Kimberley / Bloemfontein	84 2 4	62 0 0	76 13 0	62 0 0	—	—
Totals	21,412 15 6	4,714 16 9	7,636 11 0	*2,274 11 6	1,722 5 3	136 3 3

* Includes unpaid amounts carried forward from previous years.

† Consolidated Revenue Fund.

5. REPORT OF THE WAGE BOARD.

Chairman: Mr. F. McGregor.

Members: Dr. J. H. Botha and Mr. W. H. Windsor.

1. During the past year the power of the Board to act simultaneously at more than one centre through the medium of its personnel and in respect of different industries, was put to the fullest possible use and in Union wide investigations co-ordination was secured in most cases by the holding of one public sitting attended by all the members, generally at the most important centre affected. This method of functioning has made it possible to undertake a much more extensive programme of work than has been the case hitherto. The investigations dealt with by the Board are enumerated in the three following tables, which show respectively—

(*a*) the references received during the year 1939;

(*b*) those received before that year and not yet completed; and

(*c*) the determinations made by the Minister during 1939.

Table I.

References Received by Board during Calendar Year, 1939.

Date of Reference.	Trade.	Area.	Position at 31/12/39.
17/ 2/39	Motor Transport Driving in certain trades	Witwatersrand and Pretoria	Recommendation submitted, 22/12/39.
11/ 4/39	Passenger Transportation.....	Witwatersrand and Pretoria	Recommendation submitted, 22/12/39.
30/ 6/39	Unskilled work in 27 trades.....	Port Elizabeth (Magisterial)	Investigation proceeding.
25/ 8/39	Sheetmetal Ware Manufacturing..	Principal Industrial Areas	Investigation commenced.
25/ 8/39	Manufacture of Metal Containers in certain trades	Union.....	Investigation commenced.
27/10/39	Commercial Distributive Trade....	Smaller centres of population	Investigation commenced.
1/ 9/39	Meat Trade.....	Cape Town (Municipal)	Investigation commenced.
1/ 9/39	Meat Trade.....	East London.....	Investigation commenced.
1/ 9/39	Meat Trade.....	Port Elizabeth.....	Investigation commenced.

2. It will be seen from the above table that in the case of Motor Transport (Goods) and Passenger Transport, both on the Witwatersrand, the Board's recommendations were submitted in December, 1939. Some progress was made with the remaining seven investigations, and the process of collecting, assembling and analysing data regarding both wages and finance was well advanced, but the public sitting stage had not been reached by the end of the year. Short comments in regard to Motor Transport (Goods) and Passenger Transport follow.

3. *Motor Transport Driving.*—The Board's recommendation was submitted to the Minister on 22nd December, 1939, and it will thus not be possible for a determination to be promulgated until the year 1940. Transport in commerce, which was covered under Determination No. 56 has since been provided for under Determination No. 70; transport driving in the building industry, roadmaking, brickmaking, quarrying, sand cartage and ice manufacture are included in the terms of reference and are additional to the trades covered by Determination No. 56.

4. The issue of a new reference shortly after the promulgation of Determination No. 56 was due partly to the need for an alteration in scope and partly to the possibility of invalidation of Determination No. 56 following upon repeated attacks in the Courts. It was pointed out in last year's annual report that the first of these actions was heard in the Magistrate's Court in October, 1937, and after a first appeal to the Transvaal Provincial Division, the case was remitted to the Magistrate's Court, and a further appeal was lodged. Judgment in this appeal was given in favour of the Crown on 26th September, 1939, and since then the validity of the Determination has not again been questioned.

5. *Road Passenger Transportation.*—The terms of reference cover passenger transport services in the Magisterial Districts of the Witwatersrand and Pretoria, by means of mechanically propelled vehicles intended to carry more than seven persons, other than vehicles owned by the Railways or any municipality or local authority. The majority of the buses are utilised exclusively for the transport of non-European persons and the drivers and conductors are for the most part non-Europeans, the figures being 91 Europeans, 157 Natives, 12 Asiatics and 53 Coloureds. The average wages paid at present to Europeans are much higher than those paid to other races, i.e. approximately £5 per week as against £3. 10s.

TABLE II.

INVESTIGATIONS COMMENCED BEFORE 1939 IN RESPECT OF WHICH DETERMINATIONS WERE NOT MADE DURING CALENDAR YEAR.

Date of Reference.	Trade.	Area.	Position at 31/12/39.
6/ 4/36	Garment Making.....	Principal Industrial Centres	Second recommendation submitted, 19/8/39.
1/ 2/38	Sweet Manufacturing.....	Union.....	Investigation completed 28/10/39.
5/ 4/38	Brush and Broom Manufacturing.	Union.....	First report submitted, 28/6/39.
12/ 5/38	Diamond Cutting.....	Union.....	First report submitted, 6/10/39.
16/ 5/38	Unskilled work in 27 trades.....	Durban.....	Recommendation submitted, 6/11/39.
3/ 6/38	Chemical Manufacturing.....	Union.....	First report submitted, 4/12/39.
19/10/38	Basketware Manufacturing.....	Union.....	Investigation commenced.
2/11/38	Boarding-houses, Flats and Rooms	Witwatersrand.....	Recommendation submitted, 22/12/39.
21/12/38	Boarding-houses, Flats and Rooms	Durban.....	Recommendation submitted, 22/12/39.

6. From the above table it will be seen that nine references were received by the Board before the commencement of the year 1939 and had not by the 31st December of that year reached the determination stage. The delay in bringing the investigation into the garment-making trade to a conclusion is largely due to the fact that the most important section numerically, i.e. the manufacture of ready-made clothing, is regulated under industrial council agreements, so that the employees cannot be regarded as urgently in need of assistance from the Board. The whole investigation covers a very wide field and concerns a large number of persons whose conditions of employment and rates of pay vary considerably. Principally for these reasons, other more pressing investigations were given preference not only at the first but at the various successive stages. The Board's first recommendation was submitted on the 21st February, 1938, and was published for objections on the 29th July, 1938; its second was submitted on the 19th August, 1939, and was published on the 24th November, 1939. Notes outlining the position of the remaining industries enumerated in the table as at the end of the year 1939 follow.

7. *Sweet Manufacturing.*—The collection of information was commenced in May, 1938, and members of the Board visited sweet factories at Cape Town, Oudtshoorn, Kingwilliamstown, Port Elizabeth, East London, Durban, Pietermaritzburg, Johannesburg and Pretoria. There are forty-six factories, six of which are fairly large; three of them employ 500 or more employees each. The chief centres are Johannesburg, East London, Cape Town, Pietermaritzburg and Port Elizabeth. There were in employment during March, 1938, 3,556 workers, of whom 2,099 were European, 690 Native, 22 Asiatic and 745 Coloured. The Board submitted a recommendation and report on the 6th May, 1939, which was published for objections on the 16th June, 1939; on the 28th October, 1939, the Board reported on the objections and submitted an amended recommendation.

8. *Manufacture of Brushes and Brooms.*—The reference in this case dated April, 1938, was for report only on the brush and broom manufacturing industry in the Union. The Board reported on the 28th June, 1939, suggesting that, notwithstanding the exceptionally low level of wages in this industry, it would be possible to recommend some improvement both in wages and conditions of employment, and suggesting further that the issue of a direction to the Board would be advantageous both to the industry and the employees. The industry consists of ten or eleven firms with a total capital of some £90,000 and provides work for over 400 employees. All the common varieties of cleaning brush are produced, but not the more highly specialised articles such as toilet brushes. With the exception of broom-corn and a little animal hair, nearly all the raw materials are imported.

9. *Diamond Cutting.*—The direction contained in the terms of reference was for a report only in respect of all employees in the industry. In 1929 the total number of employees was 775; in 1932 the number had fallen to 488 and in October, 1938, the month in respect of which data were furnished to the Board in the present investigation, it was 211. At present the industry is concentrated mainly in Johannesburg, only one establishment, which in October, 1938, employed 31 persons, being in existence in Cape Town. The wages of the

skilled class, which includes sawyers, cutters and polishers, are comparatively high, averaging close on £30 per month, whilst 18 receive over £37, 15 receive over £41 and 9 over £50 per month; 44 per cent. earn £29 per month or over. The Board in its report of October, 1939, suggested that a direction to recommend wages and conditions of employment be issued.

10. *Unskilled Labour, Durban.*—For the past twelve years only one general wage determination in respect of unskilled labour has been in existence, namely, at Bloemfontein; the reference in respect of unskilled labour in 27 trades and industries within the Durban municipal area is the first of this nature to be received by the present Board. The total number of employees affected will approximate 16,000, of whom nearly one half is employed by the City Council. The Board submitted a recommendation and report on the 6th November, 1939.

11. *Chemical Manufacturing.*—The terms of reference cover the manufacture, in establishments registrable as factories, of a large variety of goods, including soap, candles, paints, medicinal and toilet preparations, baking powder, yeast and edible oils. There were 4,735 employees engaged in these industries in July, 1938. This was in the nature of a preliminary investigation, being for report only. The Board's report was submitted on the 4th December, 1939.

12. *Basketware (Union) and Boarding-houses at Durban and the Witwatersrand.*—Statistical information in the basketware manufacturing industry was called for in February, 1939, but owing to more pressing investigations in which a much larger number of employees are involved, the enquiry has not yet been proceeded with. The total number of persons employed in the basketware industry is 226. The investigations into the wages and conditions of employees in private hotels, boarding-houses, flats and rooms on the Witwatersrand and in Durban were completed before the end of the year, recommendations and reports being submitted on the 22nd December, 1939.

TABLE III.

DETERMINATIONS MADE DURING CALENDAR YEAR, 1939.

No.	Trade.	Area.	No. and Date of Government Notice.	Effective Date of Determination.
65	Furniture Manufacturing and Woodworking	George, Knysna and Humansdorp	187 of 10/2/39.....	6/ 3/39
66	Oatmeal Manufacturing.....	Cape Town.....	683 of 12/5/39.....	29/ 5/39
67	Laundering, Cleaning and Dyeing...	Principal Industrial Areas	684 of 12/5/39.....	29/ 5/39
68	Liquor and Catering.....	Cape Peninsula.....	1679 of 27/10/39....	13/11/39
69	Private Hotels, Boarding-houses, Flats and Rooms	Cape Peninsula.....	1678 of 27/10/39....	13/11/39
70	Commercial Distributive.....	Principal Industrial Areas	2079 of 22/12/39....	1/ 1/40
71	Sweet Manufacturing.....	Principal Industrial Areas	4 of 5/1/40.....	15/ 1/40

13. Since the Board's reports which accompany each recommendation submitted are full and in most cases available in printed form, there is no need to refer in detail to the determinations made during the year.

STATISTICAL SECTION.

14. In the following table the numbers of employees in various trades covered by determinations promulgated during 1937, 1938 and 1939, are shown according to race, sex and age (adult and juvenile).

Table IV.

Numbers of Employees Covered by the Determinations Promulgated during 1937, 1938 and 1939.

Determination No.	Industry or Trade.	No. of Employers.	Area.	European.				Native.				Asiatic.				Coloured.				Totals.		
				Male.		Female.		Male.		Female.		Male.		Female.		Male.		Female.		Male.	Female.	Male and Female.
				A.	J.	A.	J.	A.	J.	A.	J.	A.	J.	A.	J.	A.	J.	A.	J.			
55–58	1937 Totals	1,436	Various	2,230	196	1,260	324	1,958	28	16	1	372	50	—	—	442	18	10	—	5,294	1,611	6,905
59–64	1938 Totals	590	Various	1,311	144	449	221	2,858	54	7	1	203	4	—	—	513	8	1	1	5,095	680	5,775
55–64	1937 and 1938 Totals	2,026	—	3,541	340	1,709	545	4,816	82	23	2	575	54	—	—	955	26	11	1	10,389	2,291	12,680
				6,135 or 48·4 per cent.				4,923 or 38·8 per cent.				629 or 5·0 per cent.				993 or 7·8 per cent.						
For 1939—																						
65	Furniture Manufacturing and Woodworking	16	George, Knysna and Humansdorp	246	73	4	—	21	3	—	—	—	—	—	—	186	20	—	—	549	4	553
66	Oatmeal Manufacturing	2	Cape	21	—	—	—	47	—	—	—	—	—	—	—	19	18	—	—	105	—	105
67	Laundering, Cleaning and Dyeing	213	Main Industrial centres	302	21	469	100	1,438	4	115	—	718	52	25	3	180	7	509	12	2,722	1,233	3,955
68	Liquor and Catering	149	Cape	488	29	231	9	385	6	1	—	193	7	1	—	376	16	264	7	1,500	513	2,013
69	Boarding-houses, Flats and Rooms	169	Cape	33	—	78	2	412	3	23	1	7	—	5	—	153	9	381	19	617	509	1,126
70	Commercial Distributive	11,173	Main Industrial centres	18,752	3,448	16,116	6,411	24,515	1,187	317	28	1,677	490	78	18	3,617	931	263	69	54,607	23,300	77,907
71	Sweet Manufacturing	45	Union	524	51	852	672	677	6	7	—	17	5	—	—	163	22	451	109	1,465	2,091	3,556
65–71	1939 Totals	11,767	—	20,366	3,622	17,750	7,194	27,495	1,209	463	29	2,602	554	109	21	4,694	1,023	1,868	216	61,565	27,650	89,215
				48,932 or 54·8 per cent.				29,196 or 32·7 per cent.				3,286 or 3·7 per cent.				7,801 or 8·8 per cent.						
	1937 to 1939	13,793	—	23,907	3,962	19,459	7,739	32,311	1,291	486	31	3,177	608	109	21	5,649	1,049	1,879	217	71,954	29,941	101895
	Totals in respect of determinations in force	—	—	55,067 or 54·1 per cent.				34,119 or 33·5 per cent.				3,894 or 3·8 per cent.				8,794 or 8·6 per cent.						

A—Adult. J—Juvenile.

15. From Table IV it will be seen that the trades and industries regulated during the years 1937 to 1939 provide employment for 101,895 workers, the commercial distributive trade accounting for 76 per cent. Of the various races, Europeans number 48,932, or 54·8 per cent., of the total for 1939, as compared with 48·4 per cent. in 1937 and 1938. A considerable proportion of the total European employees is juvenile labour, viz. 10,816 or 22 per cent. of all Europeans, the great majority being females, mainly employed in shops.

16. On page 68, paragraph 15, of the Report of the Department of Labour, 1938, the Board described the basis on which employees were classified according to skill, and on the next page a table is shown presenting the numbers of skilled, semi-skilled and unskilled employees according to race, sex and age. The same method of classification is adopted in this report, and in the following table the numbers of skilled, semi-skilled and unskilled workers employed in the trades controlled under determinations promulgated during the year 1939 are shown.

Table V.

Classification of Employees according to Skill in the Trades Regulated during 1939.*

Determinations No.	Occupation.	European.				Native.				Asiatic.				Coloured.				Total No. of Employees.		Total Monthly Wages.	Percentage of Total.	Average Monthly Wages.
		Male.		Female.		Male.		Female.		Male.		Female.		Male.		Female.						
		A.	J.	A.	J.	A.	J.	A.	J.	A.	J.	A.	J.	A.	J.	A.	J.	No.	Percentage.	Amount.		
																				£ s. d.		£ s. d.
65 to 71	Skilled	16,987	2,713	14,996	5,655	807	27	16	3	1,356	261	25	11	793	23	254	21	43,948	49·3	707,201 19 7	72·8	16 1 10
	Semi-skilled	3,118	617	2,670	1,416	1,827	26	82	—	744	42	23	3	776	58	1,177	114	12,693	14·2	131,315 2 0	13·5	10 6 11
	Unskilled	261	292	84	123	24,861	1,156	365	26	502	251	61	7	3,125	942	437	81	32,574	36·5	132,549 2 10	13·7	4 1 5
	Totals	20,366	3,622	17,750	7,194	27,495	1,209	463	29	2,602	554	109	21	4,694	1,023	1,868	216	89,215	100·0	971,066 4 5	100·0	10 17 8

* Two Determinations, Nos. 70 and 71, became effective early in January, 1940.

17. In the Annual Report for 1938 (p. 69) it was stated that the skilled class employed in trades affected by determinations promulgated during 1937 and 1938 exceeded the semi-skilled and unskilled classes combined, forming 58 per cent. of all the employees, whilst the semi-skilled comprised 5·4 per cent. and the unskilled 36·6 per cent. The relative percentages for 1939 are 43·3, 14·2 and 36·5. In regard to the differences which become evident from year to year in the percentages found in the three groups, it will be appreciated that these are due to differences in the composition of the personnel found in industries successively analysed. For example, in 1939, the proportion of semi-skilled workers increased from 5·4 to 14·2 owing to the fact that a number of the industries regulated during 1939 include a high proportion of semi-skilled labour.

18. It will be observed from the table that skilled workers, forming 49·3 per cent. of all enployees, receive 72·8 per cent. of the total monthly wages, whilst unskilled, comprising 36·5 per cent. of the total, receive 13·7 per cent. of the monthly wage bill. It is interesting to note that the share of the semi-skilled workers in the wage bill, 13·5 per cent., corresponds closely to the proportion they form of all employees, i.e. 14·2 per cent.

19. A comparison of the average wages of all classes in a variety of industries should be accepted with reserve; the presentation of such data, nevertheless, discloses the general level of remuneration in these trades, and has particular value with regard to those trades in which the labour composition is similar. In the following table the average weekly wages of all employees in industries regulated under determinations promulgated during 1939 are shown.

TABLE VI.

AVERAGE WAGES OF ALL EMPLOYEES IN THE TRADES REGULATED DURING 1939.

Determination No.	Industry or Trade.	Average Weekly Wage.
		£ s. d.
65	Furniture Manufacturing and Woodworking (George, Knysna and Humansdorp)	1 7 8
66	Oatmeal Manufacturing (Cape)	1 17 8
67	Laundering, Cleaning, Dyeing (Main Industrial Centres)	1 12 7
68	Liquor and Catering Trade (Cape)	1 18 0
69	Boarding-houses, Flats and Rooms (Cape)	1 17 0
70	Commercial Distributive Trade (Main Industrial Centres)	2 12 7
71	Sweet Manufacturing (Union)	1 13 9

20. The laundering trade, with an average wage of £1. 12s. 7d.per week, and the sweet manufacturing industry, £1. 13s. 9d. per week, employ a large proportion of non-Europeans, in the last-mentioned case the employees being both females and non-Europeans. In all the other trades referred to in Table VI, with the exception of the commercial distributive trade (£2. 12s. 7d.), the average wage is less than £2 per week.

21. Table VII which follows shows the minimum wages prescribed, the average wage of each class of employees in trades regulated by determinations made in 1939 and the number of employees whose wage is lower than the prescribed minimum and who accordingly became entitled to an increase upon promulgation of the determinations. The effect of the determination in respect of wages only is shown; were the grant of leave and other improved conditions also taken into calculation, the proportion of the employees who benefit would, of course, be greater.

TABLE VII.

MINIMUM AND AVERAGE WAGES OF MAIN CLASSES AND NUMBERS OF EMPLOYEES AFFECTED IN THESE CLASSES IN CERTAIN TRADES REGULATED DURING 1939.

DETERMINATION NO. 66.—OATMEAL MANUFACTURING INDUSTRY (CAPE).

Occupation.	Prescribed Minimum Weekly Rates.	Average Weekly Wages as per Tabulation.	No. of Employees in Classes Stated.	Below Prescribed Rate.	
				No.	% Affected in Total Classes Stated.
	£ s. d.	£ s. d.			
Chief Maintenance Man or Engineer	6 12 6	6 6 2	3	2	
Foreman Miller	6 10 0	4 7 11	5	5	
Maintenance Man or Handy-man	Mainly* 3 3 0	3 1 3	6	2	
Packer	1 10 0	0 18 2	26	26	
TOTALS	—	—	40	35	87·5
Unskilled	1 10 0	1 8 0	25	25	100

* The word mainly indicates that the large majority of employees in the particular class became entitled to the wage shown.

DETERMINATION No. 67.—LAUNDERING, CLEANING AND DYEING TRADE.

Occupation.	Prescribed Minimum Weekly Rates.	Average Weekly Wages as per Tabulation.	No. of Employees in Classes Stated.	Below Prescribed Rate.	
				No.	% Affected in Total Classes Stated.
	£ s. d.	£ s. d.			
Dyer and/or Cleaner	6 0 0	5 19 2	21	6	
Canvasser	3 0 0	3 9 7	113	19	
Driver of Motor vehicle	3 0 0	3 4 0	87	1	
Ironer	1 7 6	1 5 5	1,051	901	
Presser	1 7 6	1 8 8	335	197	
Washer	1 7 6	1 3 8	460	399	
TOTALS			2,067	1,523	73·7

DETERMINATION No. 68—LIQUOR AND CATERING TRADE (CAPE).

Occupation.	Prescribed Minimum Weekly Rates.	Average Weekly Wages as per Tabulation.	No. of Employees in Classes Stated.	Below Prescribed Rate.	
				No.	% Affected in Total Classes Stated.
	£ s. d.	£ s. d.			
Barman, qualified	4 10 0	4 8 5	161	56	
Cook, qualified male	3 4 8	5 3 3	62	9	
Cook, qualified female	2 13 6	2 9 0	28	13	
Waiter, qualified	2 10 9	2 17 11	239	119	
Waitress, qualified	2 2 0	2 1 9	39	23	
TOTALS	—	—	529	220	41·6
Unskilled	1 7 6	1 5 3	545	319	58·5

DETERMINATION No. 69.—PRIVATE HOTELS, BOARDING-HOUSES, ETC. (CAPE).

Occupation.	Prescribed Minimum Weekly Rates.	Average Weekly Wages as per Tabulation.	No. of Employees in Classes Stated.	Below Prescribed Rate.	
				No.	% Affected in Total Classes Stated.
	£ s. d.	£ s. d.			
Cook, male qualified	2 15 5	3 14 9	29	3	
Cook, female qualified	2 8 6	2 16 7	36	4	
Waiter, qualified	2 3 3	2 1 2	92	60	
Waitress, qualified	1 19 1	1 17 8	68	56	
Housekeeper	2 10 9	2 13 1	41	25	
Porter	2 6 2	2 8 0	8	5	
TOTALS	—	—	274	153	56·8
Unskilled	1 5 5	1 6 2	291	76	26·1

DETERMINATION No. 70.—COMMERCIAL DISTRIBUTIVE TRADE.

Occupation.	Prescribed Minimum Weekly Rates.	Average Weekly Wages as per Tabulation.	No. of Employees in Classes Stated.	Below Prescribed Rate.	
				No.	% Affected in Total Classes Stated.
	£ s. d.	£ s. d.			
Chemist	6 18 6	5 5 4	271	151	
Male shop assistants and clerical employees qualified	Mainly* 4 16 11	7 6 0	11,408	2,797	
Male shop assistants and clerical employees unqualified	Mainly* 2 15 5	2 5 1	7,968	4,927	
Female shop assistants and clerical employees qualified	Mainly* 2 10 9	2 19 1	11,915	5,025	
Female shop assistants and clerical employees unqualified	Mainly* 1 12 4	1 10 1	8,426	4,720	
Packers	1 3 0 to 1 14 6	2 9 10	547	135	
Other Drivers	1 1 2 to 1 11 2	1 12 2	417	282	
TOTALS	—	—	40,952	18,037	44·0
Unskilled	1 0 0 to 1 10 0	0 18 5	29,441	26,016	88·4

* The word mainly indicates that the large majority of employees in the particular class became entitled to the wage shown.

DETERMINATION No. 71.—SWEET MANUFACTURING INDUSTRY.

Occupation.	Prescribed Minimum Weekly Rates.	Average Weekly Wages as per Tabulation.	No. of Employees in Classes Stated.	Below Prescribed Rate.	
				No.	% Affected in Total Classes Stated.
	£ s. d.	£ s. d.			
Sweetmaker (Main Areas)	6 10 0	5 17 5	73	54	
Sweetmaker (Small Areas)	4 0 0	2 10 10	1	1	
Assistant Sweetmaker (Main Areas)	4 0 0	2 19 9	151	123	
Assistant Sweetmaker (Small Areas)	2 10 0	3 10 6	2	1	
Employees not elsewhere specified (Main Areas)	1 15 0	1 5 4	2,508	2,308	
Employees not elsewhere specified (Small Areas)	1 2 6	0 11 10	16	16	
TOTALS	—	—	2,751	2,503	91·0
Unskilled	0 12 6 to 1 7 6	1 0 3	491	453	92·3

22. It is clear from the above table that large numbers of employees are affected by the prescribed minimum rates. Although the sweet manufacturing determination has been adversely critised, it will be noticed that 91 per cent. of the main classes and 92·3 per cent. of the unskilled labourers will be benefited by the determination. The criticism was mainly directed against the rate prescribed for "Employees not elsewhere specified," i.e. general workers who form numerically the preponderating class. The minimum rate laid down is £1. 15s. per week, as compared with the average weekly wage of £1. 5s. 4d. and of the total of 2,508 "general workers" no less than 2,308 became entitled to an increase in wage. It is obvious from the average wage paid that the increases of some employees must be very considerable. The same conclusion applies to the other classes. Whenever the prescribed minima exceed the average wages earned the majority of employees will, generally speaking, receive very material benefits from a determination.

23. In an industry such as the oatmeal manufacturing industry, which has not hitherto been regulated, 87·5 per cent. of the main classes and 100 per cent. of the unskilled became entitled to increases, whilst even in the laundering, cleaning and dyeing trade, which has been regulated under a determination for a long period,

when the new determination was promulgated no less than 73·7 per cent. of the main classes benefit from the prescribed rates. It will be seen that even if the average wage exceeds the minimum rate, a considerable proportion of the employees may still be affected by the minimum ; this is so, for example, in the case of pressers. The same applies to some classes in other industries, for instance, waiters (Determination No. 68), housekeepers (Determination No. 69), and male and female qualified shop assistants and clerical employees (Determination No. 70). In the case of shop assistants and clerical employees, it must be borne in mind that these classes include highly remunerated employees in responsible positions, and although the number is relatively small, the effect is to raise the average wage to such an extent that it is not a true reflection of the average wage of the main body of employees. To overcome this difficulty the average wage of males earning more than £35 per month and that of females receiving more than £25 per month were calculated at £35 and £25 respectively. Even on this basis the average wage of males which is £6. 6s. 0d. per week and that of females which is £2. 13s. 3d. per week still exceed the minima prescribed ; the numbers of employees affected remain, of course, unchanged. The average wage of the 2,797 males affected is £4. 7s. 9d. per week, or £19. 0s. 3d. per month and that of the 5,025 females £2. 5s. 4d. per week or £9. 16s. 2d. per month, which are increased to the minima of £4. 16s. 11d. per week or £21 per month and £2. 10s. 9d. per week or £11 per month respectively. The unskilled labourers, who form a large class (29,441) earn an average wage of 18s. 5d. per week ; the wage has been increased to a minimum varying from 20s. in a few areas to 30s., the majority of unskilled labourers receiving from 27s. 8d. per week to 30s. per week. The wages of the great majority will, therefore, be improved, viz. 26,016, or 88·4 per cent. and it is obvious that many unskilled workers will receive considerable increases.

24. In making recommendations the financial position of the trade concerned at the time of the investigation is closely studied and the effects of the recommendations in relation to the paying capacity of the industry are carefully examined. If the payability of the industry were ignored—which would be a violation of the law—it would, generally speaking, result in serious dislocation and unemployment. But it is sometimes claimed by the employees that the wages fixed should be in accordance with civilized standards of life. The attainment of such an ideal, if it is attainable for all employees, will require much patience, forethought and careful study and should be gradually approached if serious repercussions are to be avoided. South Africa is, industrially, a young country, many of its industries meeting with severe overseas competition, and it would be unwise to impose burdens which might prove to be unduly heavy. The fact is too frequently loss sight of that industrial development in older and richer countries required generations before it reached its present stage. It does not follow from the above that the Board is concerned only with paying capacity as a basis for wages ; the Act enjoins the Board to take into consideration various other factors, including the cost of living in the area in which the trade is located.

25. Employers generally submit financial statements, which enable the Board to make an accurate financial analysis of the payability of the industry. Whilst the paying capacity of the trade is thus expressed in concrete mathematical terms no figure representing the cost of living of an average family (father, mother and three dependants) based on the maintenance of civilized standards of life has yet been generally accepted. Even assuming that the Board had in its possession some practical, reliable basis enabling it to estimate the cost of living fairly accurately, it would still be faced with the problem arising out of the conflict between the cost of living and paying capacity. What basis should the Board adopt for its recommendations when the return on capital investment is not sufficient to pay some or all employees minimum wages on a civilized basis ? The Board has been informed that even in Australia where the practice is not to fix wages below the living wage of the lowest paid worker, some modification of this rule is taking place. A recent report on the Australian Wage Policy, by Professor W. B. Reddaway (International Labour Review, March, 1938, p. 314) states " the Federal Court itself has clearly reached the conclusion that its main criterion must be, in some sense, the state of the industry and not the attractive but elusive idea of the 'needs' of the worker with or without his traditional wife and three children." In South Africa the Industrial Legislation Commission reported, page 48, paragraph 145 : " In any wage regulating system the capacity of any particular industry to pay is a factor of prime importance, indeed, the limiting factor. All industries are not equally favoured. The extent to which they are sheltered and protected differs, the markets they cater for differ and in other ways, too, their capacity to pay is affected. As has been previously stated, it is important to keep in mind that the efficiency of employees in different areas is not necessarily the same and that the same or similar designations of occupations is no guarantee of equal work or equal standards of skill and efficiency " ; and paragraph 140 : " As has been

emphasised, the aim in wage-fixing should be to adjust wages to the industry's capacity to pay wages. If this is not done, serious dislocation of employment is certain to the detriment of the very ones whom a wage in excess of the capacity to pay was intended to benefit." In other countries also the paying capacity of the industry is, generally speaking, accepted as the basis for wage regulation.

26. Under Section 3 (3) of the Wage Act, 1925, the measure of the minimum wage to be recommended by the Board was, by implication, the cost to the employee of supporting *himself* " in accordance with civilized habits of life " (Lewin *versus* Rex, 1930, A.D. 344) but, presumably, because the legislature realised that, in certain cases, if such wages were prescribed for all employees a particular industry might not be able to pay the wages, power was vested in the Minister to direct the Board to make such recommendation as it might deem fit. It seems clear, therefore, that while the ideal to be aimed at was to recommend wages in accordance with civilized standards of life, this ideal, when not capable of attainment, had to give way to the " limiting factor," viz. the capacity of the industry to pay, and the same principle seems to underlie the provisions of section 6 (*b*) of the Wage Act, 1937.

27. The foregoing is not intended as an analysis of the principles for minimum wage fixation, but more as a warning to those who hold the view that the primary factor in wage determinations is the cost of living or standard of living of the worker. No useful purpose would be served here by entering into an academic discussion on the guiding principles for fixing minimum wages, the cost of living, civilized or decent or fair standard of life. But it is suggested that, under the circumstances briefly outlined above, the Board is bound to accept paying capacity as the basis of prime importance for its recommendations, aiming at the same time at the attainment of the maximum improvements for the employees. Although the Board must not cripple the industry as a whole, some individual employers, who cannot bear the additional costs imposed by a determination, may be eliminated from the industry ; this is frequently in the interest of employers, employees and the community as a whole.

28. In the following table the financial position of the individual industries regulated during 1939 is shown :—

Table VIII.

Aggregate and Average Trading Results of Establishments Engaged in Industries in which Wages and Conditions of Employment were Regulated in 1939. *a*

Industry.	Number of Determination.	Number of Establishments Analysed.	Capital.			Turnover.	Net Profit.				Yield.				Salaries and Wages.	
			Own.	Loan.	Total.		£	Percentage Own Capital.	Percentage Total Capital.	Percentage Turnover.	£	Percentage Own Capital.	Percentage Total Capital.	Percentage Turnover.	£	Percentage Turnover.
			£	£	£	£										
Furniture and Woodworking, George, Knysna and Humansdorp	65	9	130,550*b*	—	160,550*c*	66,383*d*	8,835*c*	—	5·7	—	8,835*e*	—	5·7	—	22,906*c*	—
		Average	17,839	—	17,839	7,376	982	—	—	—	—	—	—	—	2,545	—
Oatmeal, Cape	66	2	Details not for publication.													
Laundering and Dry Cleaning	67	50	214,294	73,029	287,323	425,814	67,194	31·4	23·4	15·8	38,502	18·0	13·4	9·0	165,475	38·9
		Average	4,286	1,460	5,746	8,516	1,344				770				3,310	
Liquor and Catering Trade, Cape	68	70	603,191	682,048	1,285,239	880,955	99,630	16·5	7·8	11·3	49,428	8·2	3·8	5·6	129,694	14·7
		Average	8,617	9,744	18,361	12,585	1,423				706				1,853	
Private Hotels, Boarding-houses and Flats, Cape	69	44 *f*	183,417	217,373	400,790	228,531	34,215	18·7	8·8	14·9	12,252	6·7	3·1	5·4	29,994	13·1
		Average	4,169	4,940	9,109	5,194	778				278				682	
Commercial Distributive Trade *a*	70	1,445*g*	7,991,699	5,821,945	13,813,644	21,186,699	1,938,620	24·3	14·0	9·2	1,000,264	12·5	7·2	4·7	1,756,339	8·3
		Average	5,531	4,029	9,560	14,662	1,342				692				1,215	
Sweet Manufacturing *a*	71	39	1,123,444	418,441	1,541,885	1,755,476	163,040	14·5	10·6	9·3	71,846	6·4	4·7	4·1	359,655	20·5
		Average	28,806	10,729	39,535	45,012	4,181				1,842				9,222	
Totals		1,657*h*	10,276,595	7,212,836	17,489,421	24,543,858	2,311,534	22·5	13·2	9·4	1,181,127	11·5	6·8	4·8	2,464,063	10·0
		Average	6,202	4,353	10,555	14,812	1,395				713				1,487	

a Determinations Nos. 70 and 71 became effective early in January, 1940.
b Actual figures assumed to be the same as the total.
c Figures relate to whole concerns, that is, activities extend beyond furniture and woodworking only.
d Figures relate to furniture and/or woodworking sections only.
e Yield assumed to be the same as net profit.
f In addition the trading results of 17 establishments, which submitted incomplete statements, were tabulated.
g In addition, the financial statements of a number of other types of establishments were analysed.
h Excludes the 2 establishments in the Oatmeal industry.

29. No information concerning the oatmeal industry, Cape Town, is given since there are only two firms. The term " loan capital " is used in the wide sense and generally includes both borrowed funds on which interest is nominally paid and indebtedness to sundry creditors. Yield is obtained by reducing net profit by interest on own capital plus remuneration for management, thus resulting in a net amount out of which can be met additional expenditure due to an increase in wages and to the cost of improvements in other conditions of employment.

30. The average annual turnover per establishment varies from £5,194 for boarding-houses to £45,012 for sweet manufacturing, that of commerce being £14,662. Of the remaining trades, liquor and catering shows an average turnover of £12,585, followed by laundering with £8,516, and furniture manufacturing and woodworking with £7,376. If it is accepted that own capital* is entitled to interest (a moderate rate of interest is allowed) and that employers should receive a reasonable remuneration for management, then only the amounts corresponding to the yield can be taxed to meet additional expenditure arising out of wage regulation. These amounts, it will be admitted, are on the whole small. The highest percentages of net profit on total capital and turnover are obtained in the laundering, cleaning and dyeing trade, i.e. 23·4 and 15·8 respectively, which are reduced to a yield of 13·4 and 9·0 respectively. Although a net profit of 14·0 per cent. on total capital and 9·2 per cent. on turnover in the commercial distributive trade may be regarded as a fair return, the rates of yield on total capital and turnover are greatly reduced, viz. 7·2 per cent. and 4·7 per cent. respectively. Sweet manufacturing, which has the largest average net profit and yield, shows a net profit of 10·6 per cent. and 9·3 per cent. and a yield of 4·7 per cent. and 4·1 per cent. on total capital and turnover respectively. In the case of boarding-houses and the liquor and catering trade, the yield on total capital is still smaller, i.e. 3·1 per cent. and 3·8 per cent. respectively, which, it will be noticed, is exceeded by the yield on turnover, 5·4 per cent. and 5·6 per cent. respectively ; this can be ascribed to the fact that in these two trades the total capital exceeds the total turnover. The average net profit of £1,395 for all trades, equalling 22·5 per cent. on own capital, 13·2 per cent. on total capital and 9·4 per cent. on turnover, becomes an average yield of £713, equalling 11·5 per cent. on own capital, 6·8 per cent. on total capital and 4·8 per cent. on turnover. This return on capital investment reveals, admittedly, a margin to be taxed for the improvement of wages and other conditions of employment, but it will be conceded that the margin cannot absorb any drastic departure from existing conditions. It should, moreover, be borne in mind that the payability of a large number of establishments is below that as disclosed in the average figures.

31. Salaries and wages vary from 8·3 per cent. on turnover in commerce to 38·9 per cent. in laundries, the relative figure in sweet manufacturing being 20·5 per cent. which is greatly in excess of net profit on turnover. When it is borne in mind that the average wage bill for the trades under consideration, £1,487, or 10·0 per cent. on turnover, is more than twice the average yield for all trades, £713, or 4·8 per cent. on turnover, it will again be realized that an increase in the wage bill is subject to definite limitations. It should, moreover, be emphasized that these data relate to periods before the promulgation of the new determinations, i.e. before the increases in cost. If since the dates of promulgation the profits have not expanded, the margins will accordingly have been reduced, unless employers have succeeded in introducing savings. The Board holds the view that the margins, though moderate, are sufficient to meet normal contingencies. The effects of the international situation on commerce and industry, however, require close and continuous study.

32. It will be noticed that in every case the average wage bill greatly exceeds the average yield, and with the exception of the trades of commerce and boarding-house keepingl (Cape the average wage bill also exceeds the average profit of all trade; this is particularly noticeable in the laundering trade and the sweet manufacturing industry where the average wage bills are more than double the average net profit.

In the liquor trade the average net profit (£1,423) is also smaller than the average wage bill, £1,853.

33. Table IX, which follows, shows the additional cost imposed by Determinations numbers 65 to 71 in respect of employees engaged in all establishments. The preceding table (No. VIII) showed trading results only of a limited number of establishments which submitted data adequate for the purpose of analysis. This fact should be borne in mind when comparing the total estimated cost as shown in Table IX with the profit shown in Table VIII. It should also be noted that, due to the lack of complete data, the calculation had in many cases to be based on approximations ; the data presented in Table IX do, nevertheless, provide a fairly accurate presentation of the effects of the determinations. It should be noted further that the calculations were based on the statistical data submitted by employers to the Board at the time the investigation commenced, and it is therefore not possible to take into account modifications and adjustment of personnel which may subsequently have occurred or which may be due to re-organization.

* Loan capital has already been provided for in the financial accounts.

Table IX.

Estimated Total, Additional Costs of Wage Determinations which became Effective during 1939,* Based on Rates of Pay before and after the Determinations were Promulgated.

Industry.	Determinations Number.	Total Number of Employees at time of Investigation.	Estimated Total Costs† per Year.					Remarks.
			Wages.	Annual Leave.	Public Holidays.	Sick Leave‡.	Total.	
			£	£	£	£	£	
Furniture Manufacturing and Woodworking, George, Knysna and Humansdorp	65	553	15,070	1,040	—	—	16,110	Two paid public holidays are provided for, but as no change is involved, there is no additional cost.
Oatmeal Manufacturing, Cape	66	105	1,220	220	—	—	1,440	Two paid public holidays are provided for, but as no change is involved, there is no additional cost.
Laundering, Cleaning and Dyeing, Union	67	3,955	28,080	6,900	—	—	34,980	Two paid public holidays are provided for, but as no change is involved, there is no additional cost.
Liquor and Catering, Cape	68	2,020	16,670	11,030	—	5,520	33,220	Hours of work restricted to from 54 to 70 per week where previously they were generally unregulated. No account has been taken of any increase in cost, as it is considered that employers will make the necessary adjustments without extra cost.
Private Hotels, Boarding-houses, Flats and Rooms, Cape	69	1,126	7,030	4,390	—	2,190	13,610	Remarks as above apply. Hours restricted to from 64 to 70 per week.
Commercial Distributive Trade, Union	70	77,907	1,425,310	138,250§	—	459,030	2,022,590	Hours of work are generally limited to from 46 to 52 per week. All public holidays are provided for with full pay as previously.
Sweet Manufacturers, Union	71	3,556	39,250	—	3,890	—	43,140	Two weeks holiday leave with full pay are provided for, but as this represents no change, no extra cost is involved. Three paid public holidays are provided for, which represents an improvement. Hours are limited to 48 per week as previously.
Seven Industries	—	89,222	1,532,630	161,830	3,890	466,740	2,165,090	
	—	—	70·7%	7·5%	0·2%	21·6%	100·0%	

* Two Determinations, Numbers 70 and 71, became effective early in January, 1940.
† Frequently based on approximations owing to lack of complete data such as occupations, experience, hours of work of pieceworkers, etc.
‡ Based on assumption that full annual period will be granted and taken.
§ For classes other than chemists, clerks and counterhands, who receive the same leave as before, namely, two weeks per annum with full pay.

34. According to the above table, the total wage bill of all the trades and industries regulated during 1939 will be increased as a result of determinations 65 to 71 by £2,165,090 per annum; of this, approximately £2,000,000 will fall on the commercial distributive trade. The additional expenditure is due to the increase in wages, the grant of paid annual leave, paid public holidays and a period of sick leave on pay. The wage increase absorbs 70·7 per cent. of the total increase, annual leave 7·5 per cent., public holidays 0·2 per cent. and sick leave 21·6 per cent. The increase due to public holidays is negligible since all the trades already grant some, and in one case all, public holidays. The provision in respect of sick leave is however an innovation and would, according to the basis of calculation adopted, result in an additional expenditure of £466,740 per annum, which is 21·6 per cent. of the total cost of the increases; of this, commerce has to shoulder £459,030. It should, however, be noted that the estimated cost of the sick leave provision is a gross figure, calculated on the assumption that every employee will take full advantage of the provision and will be paid in respect of absences at the prescribed rates. It may thus be accepted that the value to the employee who now receives wages when sick, where previously he was not paid on such occasions, is greater on the whole than the cost to the employer since in commerce at all events a substitute will not generally be engaged and sales will, again speaking in general terms, not decrease. In industry, however, it is probable that a greater proportion of the cost will be borne by the employer since the absence of an employee generally involves a reduction in output. At all events since many of the employees suffered no reduction in wages on account of absences due to sick leave before promulgation of the determination and many will not require to make use of the sick leave provided, the extra cost will be considerably less than the figure given above. The granting of annual leave is a fairly regular practice in many trades and has been the practice in commerce for a long time so that the cost due to holiday leave not hitherto granted will be less than that due to additional sick leave.

6. APPRENTICESHIP ACT, 1922.

Apprenticeship Committees.—The successful administration of the Apprenticeship Act is primarily dependent upon the co-operation and assistance rendered by the Apprenticeship Committees, which function in an advisory capacity to the Minister. These bodies are composed of representatives of employers' and employees' organizations in the respective industries. The representatives are closely associated with the trades in which apprentices are trained and are in constant touch with the requirements of the industries they represent. The Department fully appreciates the valuable work done by the Committees in what is one of the most important aspects of the Department's work, namely, the thorough training, both practical and theoretical, of the youths who are to become the skilled artisans of the future.

During the year under review apprenticeship committees functioned in the following industries and areas:—

Printing—the Union.

Government (Building and Engineering)—the Union.

Railway (Building, Engineering and Carriage Building)—the Union.

Mines (Building and Engineering)—the Transvaal.

Building—Cape Peninsula, Port Elizabeth, East London, Queenstown, Durban, Pietermaritzburg, Bloemfontein, Kimberley, Witwatersrand and Pretoria.

Engineering (Mechanical and Electrical)—Cape Peninsula, Port Elizabeth, East London, Queenstown, Durban, Pietermaritzburg, Bloemfontein, Kimberley and the Transvaal.

Food (Baking and Confectionery)—Cape Peninsula and Witwatersrand.

Food (Butchery)—Witwatersrand.

Bootmaking and Leather Working—Cape Peninsula, Port Elizabeth and Witwatersrand and Pretoria.

Carriage Building—Witwatersrand.

Hairdressing—Cape Town, Witwatersrand and Durban.

Dental Mechanician—Cape Peninsula, Port Elizabeth, Durban, Witwatersrand and Pretoria.

Furniture—Cape Peninsula, Durban and Bloemfontein.

Motor Engineering—the Transvaal, Cape Town, Port Elizabeth and Durban.

No new committees were established during the year, but the area of jurisdiction of the Witwatersrand and Pretoria Motor Industry Apprenticeship Committee was extended to include the magisterial districts of Bethal, Brits, Ermelo, Rustenburg and Ventersdorp, so that apart from the Reef and Pretoria areas the Act now applies to the motor industry in thirteen of the more important country areas in the Transvaal.

The provisions of the Apprenticeship Act can only be really effective where the employers and the journeymen are properly organized, and for this reason extension of the Act to the smaller towns has proved difficult in some industries owing to the absence of employers' organizations and trade unions in those areas. The Motor Industry has proved a notable exception and both the employers' and the employees' associations have achieved a high degree of representation in the country areas to which the Act has been applied.

Apprenticeship in the Furniture Industry.—In December the Cape Division Furniture Apprenticeship Committee, having ceased to function, was discharged, and its powers, duties and functions were vested in the Inspector of Apprenticeship, who also continued to carry out the administration of the Act in this industry in respect of the Port Elizabeth and East London areas. It may be mentioned that towards the end of the year it was decided to review the whole system of apprenticeship training in the furniture industry with a view to ascertaining whether this industry was still suitable for lengthy periods of apprenticeship. Departmental officers instituted enquiries in all areas, and their reports, together with those furnished by apprenticeship committees and the National Industrial Council of the Furniture Industry which was also consulted in the matter are receiving careful consideration. Consideration is also being given to the desirability of determining the number of apprentices who may be employed in each trade in the industry under the powers given by Section 13 (1) (*b*) of the Act.

Apprenticeship in Commerce.—In 1937 the Commercial Distributive Industry was scheduled under the Apprenticeship Act, and in 1938 the first apprenticeship committee in this industry was established. The Committee has proposed certain trades for designation as well as conditions of apprenticeship, but as the proposed new wage determination for the trade had a bearing on some of the conditions of apprenticeship to be prescribed, e.g. wages, the matter was kept in abeyance pending the final publication of the wage determination. The conditions are now being reconsidered by the Committee.

Designated Trades and Conditions of Apprenticeship.—As recorded in previous reports, the Building and Engineering Apprenticeship Conferences were held in 1937. Thereafter, the decisions of the Conferences were communicated to all the committees concerned for their observations. A diversity of views was the result. The representations received from the various committees indicated beyond doubt that due to peculiar local conditions the attainment of complete uniformity was not possible. A marked degree of uniformity has, nevertheless, been achieved in the building, engineering and motor industries.

Pot-moulding.—The question of designating pot-moulding as a separate trade in the Durban and East London areas received consideration. It was decided, due to the nature of the operation, to suggest to the two committees concerned that the trade be designated on the basis of a three years' apprenticeship. The East London Committee recommended that the trade be designated on this basis, but at the end of the year the Durban Committee had not yet made a final recommendation as the whole question had been left over for discussion at a conference of the Iron Moulders' Society to be held at Cape Town.

Period of Apprenticeship.—A decision that the period of apprenticeship shall, generally speaking, be five years in all trades has been reaffirmed by the committees concerned. Some committees, however, accepted a three years' period for the trade of vulcanising and reconditioning tyres, which has so far been designated in the Cape Town and Port Elizabeth areas. The conference decision that a period of six years should be prescribed for the trades of moulding and office appliances mechanic has not been adopted by certain committees, which contend that it is unnecessary to prescribe such a lengthy period for these trades.

Wages.—As the result of the Conferences all committees concerned were asked to revise the wages fixed for apprentices. Committees generally were not in favour of recommending an increase in wages. In a few cases some improvement in the wage scales has resulted, but on the whole the position remains unchanged.

Qualifications for Commencing Apprenticeship.—As indicated in the annual report for 1938 exemptions from the Standard VII educational qualification which applies in the case of certain industries were extensively issued. A similar position obtained during 1939, particularly in the Witwatersrand and Pretoria areas in the building industry. Where it appeared that Standard VII was too high a minimum qualification, and that sufficient suitably qualified applicants did not present themselves for apprenticeship, committees concerned were asked to consider reducing the standard to Standard VI. The Pretoria Building Apprenticeship Committee has recommended the adoption of Standard VI instead of Standard VII and the Witwatersrand Building Apprenticeship Committee is still considering the question. Some Committees have asked to retain VII as the minimum and others have recommended that the standard be increased from VI to VII. The Department appreciates

the need for a better type of and better qualified applicant entering industry, but on the other hand it seems to serve no purpose to prescribe a higher minimum standard if numerous exemptions have subsequently to be issued.

Conditions Governing Attendance at Technical Classes.—Provision is made in the Act enabling the Minister to prescribe the number and nature of technical classes to be attended: during the first two years of apprenticeship at least half the number of hours of attendance must be during ordinary working hours. The educational authorities are anxious that the number of hours of compulsory attendance at classes should be increased, and all apprenticeship committees in the building, engineering and motor industries were asked to consider the introduction of uniform provisions which would entail eight hours' attendance a week at classes, four hours of which would be in the employers' time during the first two years of apprenticeship. Some committees accepted the suggestion; others agreed to compulsory attendance for the full period, but recommended a reduction in the hours of attendance in the apprentice's own time, maintaining that it was too much to expect any apprentice to attend classes for 8 hours per week after work. Two committees which accepted 8 hours per week recommended an attendance of 4 hours per week in ordinary working hours for the full period of apprenticeship.

Bonuses.—Steps were taken during the year by a number of Apprenticeship Committees with a view to encouraging apprentices to take a greater interest in their technical classes. At most centres provision has now been made for prizes to be awarded to apprentices who excel in their studies, and a number of Committees have recently introduced further inducements in the form of bonuses. Thus in the Engineering, Motor and Building Industries at East London, Cape Town, Port Elizabeth and Pretoria, any apprentice who attends classes regularly, is diligent and makes satisfactory progress, is entitled to receive a bonus of £6. 10s. at the end of each year.

Contracts of Apprenticeship.—The following statement shows the number of contracts of apprenticeship registered, and terminated or cancelled since 1923:—

Year.	Registered.	Terminated.	Cancelled.	Balance Current.
1923–34	19,393	11,959	1,906	5,528*
1935	2,610	1,291	224	6,623
1936	2,360	1,139	227	7,617
1937	2,967	989	307	9,288
1938	2,781	1,220	281	10,568
1939	2,909	1,774	345	11,358

* At 31st December, 1934.

NUMBER OF CONTRACTS REGISTERED IN THE SCHEDULED INDUSTRIES TO WHICH THE ACT HAS BEEN APPLIED.

Year.	Printing.	Building.	Engineering.	Motor.	Furniture.	Carriage Building.	Baking and Confectionery.	Leather.	Hairdressing.	Dental Mechanicians.	Butchery.	Totals.
1923–34	976	6,854	8,136	—	2,179	342	247	399	254	6	—	19,393
1935	75	801	1,403	—	108	39	30	29	122	3	—	2,610
1936	140	678	1,298	—	105	25	18	14	80	2	—	2,360
1937	155	828	1,269	376	189	32	9	11	92	—	6	2,967
1938	123	757	1,290	307	69	23	17	12	161	—	22	2,781
1939	97	713	1,517	239	53	49	19	9	177	2	34	2,909

NUMBER OF CONTRACTS IN OPERATION IN THE VARIOUS INDUSTRIES AT THE END OF EACH YEAR.

1934	298	1,344	3,152	—	246	107	100	75	201	5	—	5,528
1935	302	1,716	3,744	—	278	115	100	80	283	5	—	6,623
1936	361	2,025	4,343	—	292	127	97	76	293	3	—	7,617
1937	475	2,570	4,170	1,031	428	143	86	60	316	3	6	9,288
1938	567	3,010	4,725	1,205	405	139	66	51	369	3	28	10,568
1939	631	3,066	5,338	1,253	326	161	64	34	427	5	53	11,358

As will be observed the large number of youths entering the skilled trades has been well maintained. This is particularly so in the case of the engineering industry, which has absorbed an average of 1,355 apprentices per year during the past five years.

Cancellation of Contracts.—The number of contracts cancelled increased from 281 in 1938 to 345 during the year under review; the majority were terminated by mutual agreement between the parties. An analysis of the grounds for cancellation is given hereunder :—

Grounds for Cancellation.	1937.	1938.	1939.
	Per cent.	Per cent.	Per cent.
Apprentices' default	13·96	11·4	13·2
Apprentices' ill-health, accidents, deaths	11·04	15·3	14·7
Employers' default—business closing down, insolvency, etc.	4·87	2·8	3·2
Transferred to other employers or trades	22·73	12·8	15·0
Mutual consent	28·57	36·3	28·9
Miscellaneous	18·83	21·4	24·9

Registration and Discharge of Contracts.—Applications for contracts of apprenticeship are received by the Apprenticeship Committees and submitted to the Inspector of Apprenticeship with their recommendations. The Inspector of Apprenticeship may refuse to register a contract which is not in his opinion, for the benefit of the apprentice, and in arriving at a decision regard must be had to the capacity of the employer to afford a satisfactory training. In a number of cases committees found themselves unable to recommend the registration of contracts of apprenticeship where employers were able to produce evidence at a later stage that additional facilities were available. In such instances the Committees concerned were requested to reconsider the applications. Only in a few cases did the Inspector find it necessary to register contracts contrary to the recommendation of Committees.

Special attention was given during the year to improvements in the workshop training of apprentices, and a number of Committees urged the appointment of technically qualified inspectors to visit all workshops regularly. Committees were advised that the Department would be prepared to pay a suitable person nominated by each Committee, e.g. a qualified artisan, a reasonable fee plus transport expenses to carry out a survey of the industry concerned with a view to reporting on the training being given to each apprentice. Unfortunately, due to the outbreak of war and the need for restricting expenditure as far as possible, the time appeared to be inopportune for undertaking expensive surveys, and it was consequently decided to hold the matter in abeyance temporarily. Departmental inspectors, however, are conducting surveys in a few industries, and it is hoped that these will prove helpful to the Committees concerned.

Apprentices' Attendance at Technical Classes.—There was scope for improvement in the attendance at classes in several instances. On the whole, however, attendance was satisfactory, as the following figures indicate :—

Half-year, July–December.	Total Number of Apprentices required to Attend.	Total Enrolled.	Percentage of Enrolled to reach 75% Attendance.	Percentage not Attending.	Number Exempted.
1936	5,665	5,278	75·3	6·8	98
1937	6,751	6,244	66·3	7·5	118
1938	7,703	7,116	75·2	7·6	67
1939	7,926	7,495	73·6	5·8	95

Committees are faced with a problem of some difficulty in enforcing the provisions regarding compulsory attendance at technical classes and especially attendance at evening classes. Defaulting apprentices are warned by committees on one or two occasions, and if warnings have no effect, they are prosecuted. If this is of no avail the question of cancelling their contracts is considered. To facilitate the supervision of apprentices' attendance at technical classes committees make extensive use of sub-committees specially appointed to deal with this matter. It is pleasing to record that at Kimberley all the apprentices attended more than 75 per cent. of the classes in the last six months of the year. This has been attributed very largely to the prize schemes at that centre. As mentioned above, some committees have agreed to a special bonus to apprentices who attend classes satisfactorily, and in these cases the bonus will no doubt be a further inducement to apprentices to do their best at the technical classes.

Short Time.—At several centres applications were received from a number of employers for permission to employ their apprentices on short time, and certain committees recommended that the applications be approved. The Inspector is

prepared to permit this practice only in the most exceptional circumstances, and the committees concerned were asked to consider the matter again. No renewal of the applications has since been made.

Lost Time.—Numerous applications were made during the year for the Inspector to approve of time lost being made up. In order to avoid inequitable discrimination in requiring apprentices to make up lost time at the various centres and in the different industries, certain general principles for the guidance of committees in dealing with the matter were suggested, and are still under consideration.

Apprentices Volunteering for Military Service.—According to standing instructions issued by the Department of Defence, apprentices who volunteer for full-time military service will be accepted only on condition that the employer and, in the case of minors, the parent or guardian consent to such service. Where apprentices are required or called upon to perform military service the position in regard to the remission to be allowed in respect of such service is governed by the Regulations under the Apprenticeship Act. The position as to what reduction should be granted in the period of apprenticeship in respect of voluntary military service rendered by apprentices is not defined. The National Emergency Regulations have a bearing on the matter, but as adequate provisions have not been made, consideration is being given to the steps necessary to regularise the position.

Apprenticeship Contracts not Subject to the Apprenticeship Act.—The following are details of apprenticeship contracts submitted to the Inspector of Apprenticeship for noting in the years 1938–39 :—

Occupation.	Under Wage Determinations.		Under Industrial Council Agreements.		Others.	
	1938.	1939.	1938.	1939.	1938.	1939.
Bespoke Tailoring	1	—	—	—	—	—
Hairdressing	33	16	10	3	2	2
Printing	—	—	33	14	—	—
Furniture Making	—	—	3	1	2	6
Baking and Confectionery	4	5	2	2	2	—
Sweet Making	5	3	—	—	—	—
Engineering	—	—	29	33	41	50
Building	—	—	30	11	12	22
Commercial Distributive Trade	—	—	—	—	—	—
Motor	—	—	24	24	23	23
Miscellaneous	—	—	4	—	15	10
TOTALS	43	24	135	88	97	113

Although the Department is not responsible for the enforcement of these contracts, it is the practice to scrutinize them and to adjust anomalies as far as possible before the contracts are noted. It appears that these noted contracts are accorded a marked degree of acknowledgment by employers as certificates of apprenticeship training.

Prosecutions.—The number of prosecutions under the Apprenticeship Act showed a slight decrease and the number of convictions a slight increase during 1939 compared with the previous year. The majority of cases fell under one of the following heads :—

Employers—failure to notify the Apprenticeship Committee of the engagement of a minor in a designated trade.

Apprentices—failure to attend technical classes.

Centre.	Prosecutions.			Convictions.		
	1937.	1938.	1939.	1937.	1938.	1939.
Johannesburg	129	169	144	116	148	137
Pretoria	1	3	2	1	2	2
Capetown	18	29	36	17	26	35
Durban	3	4	4	3	3	4
Bloemfontein	13	—	4	11	—	4
Port Elizabeth	1	1	3	1	1	3
East London	1	1	—	1	1	—
Kimberley	—	1	4	—	1	3
Pietermaritzburg	1	—	—	1	—	—
TOTALS	167	208	197	151	182	188

Supreme Court Judgments.

Only one case under the Apprenticeship Act was submitted to the Supreme Court during the year under review, viz. :—

H. Ospovat & Co. and Others versus *Inspector of Apprenticeship and Another* (*C.P.D.* 1/6/39).—The Supreme Court, in ordering the Cape Furniture Apprenticeship Committee to receive and consider certain contracts of apprenticeship, held that however convenient it might be administratively to consider applications for the indenture of apprentices, the law required the actual contracts themselves to be considered by committees.

International Labour Recommendation No. 60 Concerning Apprenticeship.

At its 1939 Session, the International Labour Conference at Geneva adopted the above Recommendation, which has since been formally adopted by the Union Government. Further particulars regarding this Recommendation will be found in Chapter IV, which deals with the International Labour Organization.

7. FACTORIES ACT, 1918, AS AMENDED.

Report of the Chief Inspector of Factories (Mr. F. W. Joubert, M.I.Cert.E.).

(1) General.

The unsettled conditions overseas during the whole of 1939 retarded industrial expansion considerably, but in spite of this there has been an increase in the number of registered factories. On the other hand there was a decrease of 40 in the number of factory plans passed. When war was declared quite a number of plans were cancelled or held in abeyance. These plans were for new factories as well as for occupiers who intended to build more suitable premises, and for alterations to buildings. One result of the war has been considerable activity in certain industries in parts of the Union. Due to Union Defence requirements, merchants increasing their stocks and importation difficulties, many factories have been working overtime, and some had to increase the number of their employees, so that two or more shifts could be worked. Among these were engineering, boot and shoe, food, and certain clothing factories. On the other hand, brickmaking, furniture and clothing factories in certain areas, as well as factories supplying material for the building trade, suffered a considerable setback due to the war.

The number of factories registered in the Union during the year under review was 724, of which 367 were situated in the Transvaal, 156 in the Cape Province, 150 in Natal and 51 in the Orange Free State. As in previous years a number of small concerns closed down, and others, due to altered conditions, were no longer liable to be registered. Numerous firms moved into larger or more suitable premises either on their own initiative or at the instance of inspectors of this Department. The net increase in the number of registered factories was 148, which is an increase of 22 compared with 1938.

Engineering and metal trades have been very active, and there has been considerable expansion on the Witwatersrand, where 14 plans were approved for new factories and 39 plans for additions. During the year extensive additions to engineering works which had been commenced in 1938 have been completed in this area. Motor engineering suffered severely due to the unsettled conditions in Europe which caused unemployment and the working of short time, but by the end of the year improvement in this industry could be noticed; on the Witwatersrand 12 plans were approved for new premises and 13 for additions and alterations. Due to the decrease in building activity one large brickworks practically stopped production, and one cement works was closed down, although most of the other cement factories and larger brickworks were working up to normal capacity.

The jam and fruit canning industry, especially in the Cape Province, had a dull season due to the scarcity of suitable fruit, but a better season in 1940 is expected on account of the difficulties experienced in the export of fresh fruit. Several new industries commenced operations, and among these were the manufacture of metal drivers' cabins for motor lorries, shopping bags made out of upholsterers' waste material, a new type of mealie shellers, steel springs and paper. The paper factory commenced production at the beginning of the year. This firm benefited very materially from decreased competition due to importation difficulties, and it became necessary to increase the staff considerably. High pressure steel pipes for working pressures of from 1,000 to 1,500 lb. per square inch are now being manufactured on the Rand.

Administration.—The inspection staff at the end of the year was as follows :—

Chief Inspector of Factories.
13 Inspectors of Factories (Engineering).
14 Inspectors of Factories.

In addition to the above the Divisional Inspectors of Labour at Cape Town and East London carried out factory inspections in combination with their other duties.

Towards the end of the year Miss E. Winter, factory inspector, Johannesburg retired on pension. This officer has rendered valuable service to the Department, and her retirement has been a distinct loss to the Service. I wish to record my appreciation of the co-operation and valuable work done, often under onerous conditions, by the inspection as well as the clerical staff.

It is with regret that I have to record the death, early in the year, of Mrs. D. C. Tonkin, factory inspector at Port Elizabeth, who rendered valuable services to the Department.

The following is a summary of the official duties performed by the Inspectors of Factories :—

Miles travelled—	
(*a*) By rail	17,054
(*b*) By road	193,727
Boilers—	
External inspections	4,328
Internal inspections	3,313
Hydraulic tests	1,561
Elevator inspections	2,814
Accident enquiries	1,166
Machinery inspections	2,417
Factories registered	724
Factory inspections	13,970
Official visits (not included above)	2,490
Attendance at Law Courts	127
Nights absent from home on duty	891

During the year 528 contravention notices were served upon the occupiers of factories and 94 complaints were received by the Department from members of the public alleging contraventions of the Act. The latter were dealt with by Inspectors, and of this number 42 were settled satisfactorily, 40 were not justified, 9 were outside the jurisdiction of the Department, 1 led to prosecution and 2 were under investigation at the end of the year. Altogether 13,870 notices were served on occupiers, an increase of 6,504 compared with the previous year.

(2) Structural and Hygienic Conditions.

The number of plans for new factory premises submitted for approval was 245, a decrease of 40 compared with the previous year. Plans for alterations and additions to existing premises totalled 502, an increase of 71. There are still a number of old premises which are not fully in accordance with the requirements of the Act and Regulations, but from the number of plans passed for new premises and alterations to premises, it is clear that the position in regard to unsatisfactory buildings is being constantly improved. Conditions have been considerably improved in hides and skins stores, and existing wood and iron buildings are to be vacated or rebuilt within a given time. A few plans for factory buildings had to be entirely rejected, and a number of plans had to be altered so as to comply with the requirements of the Act and Regulations. Considerable improvements have been effected in the proper segregation of races and sexes by the placing and screening off of sanitary conveniences and cloakrooms. It was possible to do this when plans were submitted for new buildings as well as for alterations and additions to existing premises. In the new plans submitted it is noticeable that the standard of general suitability of the buildings for factory purposes is steadily rising, e.g. in such matters as better sanitary and washing conveniences, more air space, more adequate ventilation and light and better cloakrooms.

Ventilation.—Steady progress has been maintained in improving ventilation, and satisfactory results have been obtained by mechanical means, roof ventilators, etc. The saw-tooth type of roof has also been a considerable aid in obtaining adequate ventilation. Certain mechanical means of ventilation which have been installed during the year under review, are worthy of note. The air which is drawn in from outside by a fan is washed and filtered before it is distributed by means of ducts to any number of required points in the factory, from 2 to 4 changes of air per hour can be obtained according to the particular requirements of different sections of the factory. Special attention is still being paid to the adequate ventilation of laundries, dry cleaning and paint spraying establishments and places where dust and fumes arise in the course of work. The advantages derived from the installation of ducts as a means of improving ventilation is more and more brought home to occupiers of factories. There has been a considerable increase

in the roof type of ventilator. Provisions for satisfactory ventilation are thoroughly gone into when new plans are submitted, but a number of old buildings still present difficulties in the way of obtaining satisfactory ventilation.

Lighting.—Natural lighting in old factory buildings has been considerably improved, and it is noted with satisfaction that most of the plans for new premises provide for more light than the minimum of 10 per cent. of the floor area asked for under the Act. In congested areas further provision had to be made in old buildings by means of artificial lighting. This class of lighting has been very much improved by the industrial type of dispersive shades and suitable reflectors.

Sanitation and Cleanliness.—During the year under review 2,864 notices concerning sanitation and cleanliness were served upon occupiers through local authorities and by inspectors. This is an increase of 881 notices compared with 1938. In spite of the large number of notices served it was necessary to prosecute in only a very few instances. Very satisfactory progress has been made under this heading and occupiers, except in a few instances, complied with the requirements laid down by inspectors.

A few occupiers of registered factories, however, altered the racial composition of their employees without first consulting the factory inspectors, with the result that they omitted to effect the corresponding alterations in the sanitary and washing facilities.

Alterations have since been effected in every instance, although in one case an occupier had to be prosecuted for permitting various races to make use of the same conveniences. Some difficulties have been experienced in getting certain occupiers to clean their factories systemmatically. After a thorough cleaning premises are sometimes neglected and these occupiers had to be reminded by inspectors that another cleaning was necessary. Previously reported difficulties in this respect are steadily being overcome. It is pleasing to note that local authorities have greatly assisted inspectors by their co-operation in establishing and maintaining satisfactory sanitary conditions.

Industrial Hygiene.—The progress previously reported under this heading has been satisfactorily maintained during the year under review. Conditions in certain parts of the Union have been considerably improved by the extension of areas served by water-borne sewerage. The attention of a number of occupiers of factories had to be drawn to the unsatisfactory condition of native washing and lavatory conveniences. In most cases a bossboy is placed in charge of these places to see that they are kept clean, but due to lack of European supervision, conditions were found to be very unsatisfactory and only after notices had been served in some cases were improvements made. There are also European change- and cloak-rooms and lockers, which are more abused than used by a certain type of employee, who does not seem to appreciate the efforts made by inspectors to improve working conditions and facilities for workers. This tendency is fortunately on the decrease. It is pleasing to note that non-Europeans in some of the inspectorates are only too eager to make proper use of the washing and lavatory facilities provided. In these cases everything is kept clean.

The number of factories where workers committees are appointed is on the increase. The members see to it that all cloak- and change-rooms, etc., are kept spotlessly clean, and it is noticeable that at these factories the "house-keeping" is outstanding. The floors, windows and walls are kept clean, goods are properly stacked, and spaces around machines and passage ways are kept clear. There are many outstanding factories where occupiers have found that the expense incurred in providing adequate light, ventilation, air space, washing and sanitary conveniences, as well as decent cloak-, rest- and change-rooms and recreation facilities, has amply repaid them in the way of increased production and a minimum of absentees from work.

The difficulty experienced in getting occupiers to provide employees with suitable overalls, protective clothing and footwear, is gradually disappearing. I regret to have to record that there have been a few instances where inspectors found that occupiers allowed employees to sleep in food factories. Needless to say, these conditions were rectified as soon as they were discovered. There are still complaints by inspectors against occupiers of food factories, that the clothing and overalls of employees are dirty and that they are consequently not fit to handle foods.

Conditions at creameries and cheese factories show a steady improvement. When plans are submitted for new buildings, alterations and additions, all matters of hygiene are gone into and the necessary requirements made. It is pleasing to note that the number of factories, not necessarily food factories, providing hot water in addition to the usual cold water supply, has increased considerably.

During the year under review over 2,000 notices have been served on occupiers by inspectors, and at their instance by local authorities in respect of industrial hygiene. This is a slight increase on the number served during 1938. I have great pleasure in recording the close co-operation between local authorities, architects, dairy officials of the Department of Agriculture and inspectors of this Department. Through this co-operation many improvements have been made, and the progress of the previous year has been maintained.

3. *Machinery.*—In consequence of the continued increase in the demand for electric current for domestic as well as industrial purposes, many power stations in the Union had extra plant installed. In country areas, not served by the Electricity Supply Commission's undertakings, there has been a notable increase in crude oil driven electric plants. There have also been considerable additions to steam plants in the larger towns by way of boilers and turbine-driven alternators.

The units sold by the Congella Power Station, Durban, show an increase of 12 per cent. over 1938. The South Coast reticulation system has been extended to Sezela, Uvongo and St. Michaels. Besides the large extensions at this power station in switchgear and general layout, preparations are in progress for additional generating plant of 40,000 kw. capacity. The contemplated increase in plant at Colenso Power Station is 25,000 kw. The output in units at this station was 13 per cent. higher than in 1938.

In spite of the unsettled conditions in Europe during the whole of the year, good progress has been maintained at the new power station of the Johannesburg Municipality at Orlando. Boilers with all seams welded are being installed, and these have been constructed in accordance with Lloyd's welding specifications. The combined output of the three Cape Town power stations shows an increase of 11·8 per cent. over the 1938 output. The Table Bay station, which is one of the most modern, was brought into commission at the beginning of the year. This station has at present three steam turbine-driven alternators, each with a capacity of 40,000 kw. generated at 33,000 volts. In the boiler-house there are six automatically controlled boilers, each with an evaporative capacity of 225,000 lb. of water per hour and working at a steam pressure of 700 lb. per square inch. This station has been designed for considerable future extensions.

Most of the power stations in the Cape Western Province inspectorate have increased their loads during the year from about 10 per cent. to as much as 30 per cent. in some instances. Other notable increases in units sold are from the Johannesburg and Pretoria power stations. In the former the increase was 11·5 per cent. over 1938 and in the latter 16·28 per cent. All the Reef municipalities which purchase bulk power also show increases in the number of units sold.

Important increases in plant installed in factories during the year under review have been noted. A third unit is being installed at a cement factory which will bring the total output up to 250,000 tons per annum. A large new cement factory is under construction which is expected to have an output of 150,000 tons annually. In the fish industry a firm has installed the latest type of fish-cooking and canning plant. For the fruit industry a modern tin-can making plant has been installed, capable of producing 300 cans per minute. This firm produces canned fruit, peas, vegetables, soups and jams in large quantities. Several condensed milk factories are being erected.

There has been an increase of automatic machines of all kinds during the year. This was particularly noticeable in engineering and metal works. Automatic machines were also installed by can-making and canning firms, tobacco companies and breweries. A new cotton weaving mill commenced operations during the year.

Boilers.—The inspections and hydraulic tests of boilers carried out by inspectors during the year were as follows :—

	Transvaal.	Orange Free State.	Cape Western Province.	Cape Eastern Province (Midlands).	Cape Eastern Province (Border).	Natal.	Totals for Union.
External Inspections	1,483	265	998	278	223	1,079	4,326
Internal Inspections	1,256	196	703	245	186	726	3,312
Hydraulic Tests	569	109	295	119	92	366	1,550

As a result of inspection 212 boilers were found in such defective condition that permission for their continued use was cancelled ; in some cases satisfactory repairs were effected and permits subsequently restored, others were discarded as unfit for further steam generation. The number of new permits issued during

the year was 623, while 202 boilers were finally discarded. Two hundred and seven new boilers were submitted for first inspection. These were all found suitable for the makers' intended working pressure and are classified according to type hereunder.

Type.	Transvaal.	Orange Free State.	Cape Western Province.	Cape Eastern Province (Midlands).	Cape Eastern Province (Border).	Natal.	Totals for Union.
Cylindrical, Multitubular, externally fired	2	—	—	—	—	—	2
Cylindrical, Multitubular, internally fired	6	1	1	—	—	—	8
Lancashire, Cornish and Galloway	2	—	—	—	—	2	4
Locomotive	3	1	4	—	2	7	17
Vertical	68	2	32	13	5	30	150
Water-tube—Straight	4	—	3	3	—	5	15
Water-tube—Curved	1	—	—	—	—	—	1
Miscellaneous	6	—	—	1	—	3	10
Marine	—	—	—	—	—	—	—
TOTAL	92	4	40	17	7	47	207

The following is a classification of all the registered boilers in the Union, excluding those used in the mining industry and those owned by the Railways, Airways and Harbours Administration. The total number is 7,268, of which 4,533 were in use on the 31st December; the number in use decreased by 183 during the year :—

Type.	Transvaal.	Orange Free State.	Cape Western Province.	Cape Eastern Province (Midlands).	Cape Eastern Province (Border).	Natal.	Totals for Union.	Date of Oldest Boiler in Use.	Highest Steam Pressure lb. per sq. in.
Cylindrical, Multitubular, externally fired	77	8	25	10	4	109	233	1,894	195
Cylindrical, Multitubular, internally fired	53	13	61	4	13	23	167	1,882	213·35
Lancashire, Cornish and Galloway	86	10	61	11	18	30	216	1,888	225
Locomotive	669	643	441	175	161	374	2,463	1,887	280
Vertical	1,928	233	413	207	127	443	3,351	1,880	600
Water-tube—Straight	257	41	77	38	18	186	617	1,859	700
Water-tube—Curved	26	6	4	—	2	19	57	1,881	275
Marine	—	—	18	—	—	—	18	1,900	280
Miscellaneous	69	10	25	13	9	20	146	1,900	300
TOTAL	3,165	964	1,125	458	352	1,204	7,268	—	—

Elevators.—The total number of registered elevators in use at the end of the year increased by 178 to 2,382. These are classified as follows :—

Type.	Transvaal.	Orange Free State.	Cape Western Province.	Cape Eastern Province (Midlands).	Cape Eastern Province (Border).	Natal.	Totals for Union.
Electric	1,206	31	548	104	43	426	2,358
Hydraulic	1	—	—	—	—	1	2
Belt Driven	2	—	—	—	2	3	7
Other	—	15	—	—	—	—	15
TOTALS	1,209	46	548	104	45	430	2,382
Inspections carried out during the year	1,278	32	944	201	79	676	3,210

	Electric.	Hydraulic.	Belt Driven.	Others.	Totals.
Passenger	1,191	—	2	15	1,208
Goods	318	2	5	—	325
Combined Passenger and Goods	849	—	—	—	849
TOTALS	2,358	2	7	15	2,382

During the year 215 new elevators were installed and 37 were discarded. Among the latter were old installations dismantled to give place to more modern equipment. The total number of new elevators erected shows a decrease of 83 compared with 1938.

(4) Accidents.

The regulations under the Act provide that all accidents which result in the injured person being disabled for fourteen days or more shall be reported, therefore, in the following remarks, and the statistics given in Tables (*d*) and (*e*) only such accidents are included. During the year 879 accidents, which caused injury to 889 persons and included 75 fatalities, were reported. Compared with the previous year the number of accidents increased by 196, the casualties by 158, and the fatalities by 2.

Although there has been an increase in the number of accidents, this does not necessarily mean that the accident rate has increased. This increase in the number can be accounted for by the fact that there has been an increase in the number of factories using machinery as well as of places other than factories where machinery is used. More machinery at existing factories and other places has been installed. All of this means that there has been a considerable increase in the number of employees.

Some difficulty is still experienced with machinery users in small workshops and factories who appear not to be aware of the requirements under the regulations in so far as reporting accidents is concerned. Insurance companies have been a great help in bringing such accidents to the notice of the Department, which has resulted in an increase in the number of accidents reported.

The largest number of accidents occurred in engineering and allied industries, there being an increase of 79 as compared with the previous year ; of these accidents 15 were fatal, an increase of 8 over last year's figure. There was a slight decrease in the number of accidents in places where raw materials and products of agriculture are treated, and there were no fatalities. Timber yards and saw-mills, not including furniture factories, accounted for 113 accidents, which is an increase of 13, and the deaths increased from 1 to 7. In the preparation, treatment and preserving of food, drink, condiments and tobacco, there were 101 accidents, of which 5 were fatal. This is a decrease of 5 accidents and 5 fatalities.

The continued activity in the engineering and allied industries, as well as the expansion which has taken place in these industries during the year, accounts to a certain extent for the large number of accidents. As a result of the expansion in engineering concerns the number of employees has considerably increased so that more accidents could be expected to occur, in some factories the employees increased to the extent of 100 per cent. and over. It is pleasing to record that with a total of 4,533 boilers in use, not one person was injured due to boiler or steam-pipe accidents. A small number of non-casualty accidents to boilers were reported, in most instances these were due to neglect or indifferent supervision.

Accidents at timber yards and sawmills, where rough timber and logs are cut up, mostly for use in mines, has been a source of great worry to inspectors, who are constantly on the lookout for better methods of handling. Many accidents happen when rough, round timber is slabbed. A number of large firms have installed twin saws with automatic feeds, and this has reduced the number of accidents at these factories as well as increased production. Grips to hold the rough timber which is to be slabbed as well as to be cut up into wedges, have also been installed. When these grips are used the operators' hands do not come anywhere near the circular saws, and no accidents have been reported where these are in use.

There were 30 persons killed and 88 injured in 113 accidents which occurred at places other than registered factories, where machinery is used. From electric power stations and distribution systems, 71 accidents were reported, including 20 fatalities compared with 47 accidents and 15 fatalities in 1938. Considering the rapid and continued expansion in electrical distribution, as well as in power station plant, the increase in the number of accidents compared with 1938 cannot be considered abnormal. The fatalities were all due to electric shock, but 50 casualties were due to other causes. There were 21 persons injured due to coming into contact with live electrical conductors and apparatus.

The following remarks deal with the causes of accidents as shown in the classification adopted in Table (*e*) :—

Working Machinery.—Approximately 40 per cent. of the total number of accidents reported fall in this class, including all machinery accidents not shown under other sub-headings. These consist principally of casualties incidental to the working of general machinery and the operation of individual machines. The figures under this heading show a decrease of 3 per cent. over the corresponding figures for 1938. In most cases hand and finger injuries were sustained. Most of these accidents are due to carelessness on the part of the injured persons and can be placed under the heading of avoidable accidents.

Transmission Machinery.—Accidents placed under this heading are those which occurred in connection with the transmission of power through shafting, gearing, belts, etc., and total 19, including 3 fatalities compared with 11 accidents and 4 fatalities the previous year. In spite of the regulations, posted notices and instructions by persons in charge of machinery, accidents still occur to employees who attempt to replace belts, do oiling and greasing or adjust machinery which is in motion, although inspectors are continually warning persons against this kind of practice. If systematic inspections of machinery could be made it would considerably reduce the number of accidents. With the increase of machinery at factories and places other than factories and the consequent increase in statutory inspections, this has been found impossible with the present staff.

Elevators and Lifting Machinery.—Forty-one accidents occurred in connection with the use of lifting machinery compared with 29 the previous year. Two persons were killed and 9 injured by electric passenger elevators, representing an increase of five in the number of casualties in connection with elevators. Several accidents were caused by the persons' feet slipping through the pickets of car gates. The usual width between these pickets, viz. 4 in., is too great and endeavours are being made to dissuade prospective users of lifts from installing such gates. The safety in the use of elevators has been increased by installing two electrical contacts on each landing door or gate. Of the 12 electric passenger elevator accidents, one fatal accident was due to an electrical fault of the control gear and the one non-casualty accident was due to a fault in the lift mechanism; one fatality and the remaining casualties were not due to any defect in the elevator installation. Due to the increase in the number of elevators and the machinery to be inspected, a large number of elevators were inspected once only during the year. The position aimed at is to inspect each elevator once in every six months.

The remainder of the casualties falling under this heading occurred in connection with the use of cranes and hoists of various kinds.

Electricity.—Thirty-nine accidents in which 20 persons were killed and 21 injured were directly caused by electricity, an increase of 15 in the number of accidents and a decrease of 4 in the fatalities compared with the previous year. It is regrettable that the percentage of deaths in this class of accident is very high. Twelve of these accidents, including two deaths, happened to skilled persons, viz. electricians, wiremen, linesmen and cable-joiners, while 10 occurred in private dwellings or on roofs of such dwellings, resulting in 8 fatalities. The remainder, all involving unskilled persons, happened in streets outside of buildings, and in power stations. Of these 17 accidents, 10 were fatal.

Some of the accidents in private dwellings were due to unauthorised wiring, persons coming into contact with bare wire or unprotected parts, and the inefficient or total absence of earthing. Although the number of accidents directly caused by electricity is very low compared with the number of users of electricity and the number of persons employed in the generation and distribution thereof, inspectors are constantly engaged in having conditions improved so that accidents may be reduced to a minimum. In this it is pleasing to record the co-operation between inspectors and electrical engineers. The regulation requiring that service connections to dwellings and buildings where electric current is used be of approved insulated wire, is not retrospective and there are still connections in use which are not of approved wire. Although it is very costly to replace all the unapproved connections, all suppliers of electricity have agreed to replace them over a period of time. Many areas of distribution have been entirely completed, thereby reducing the accident hazard from this source to a minimum in these areas. The suggestion that supply authorities inspect installations periodically at a small fee, is under consideration. This will tend to prevent unauthorised wiring and reduce the number of accidents.

Other Classifications.—Approximately 49 per cent. of the total casualties and 50 per cent. of the deaths reported were due to causes other than machinery or electrical apparatus. These include "falls of persons," "falling objects," "poisonous, hot or corrosive substances," "explosions, fire," etc., and the percentages show little variation compared with the records of previous years.

Accidents Due to Contravention of the Regulations.—Of the accidents investigated, in 100 cases it was disclosed that the Machinery Regulations had been contravened. The principal offences were those of disobeying instructions and cleaning or adjusting machinery in motion. In the majority of cases the guilty person was the one who suffered injury, and for this reason no further action was taken. Arising out of accidents, eight prosecutions were instituted, particulars of which are included in Table (*a*).

Personal Causes.—An analysis of the personal cause of all accidents reported during the year shows that 68 per cent. were due to misadventure or danger inherent to work, and 20 per cent. were the fault of the injured person either through carelessness, ignorance or disobedience to orders. The remainder were attributable to the fault of persons other than those injured or to defective plant.

Fatal Accidents.—Following is a brief description of those fatal accidents which may be considered of an unusual nature :—

A European was decapitated when the flywheel of a 170 h.p. twin crude oil engine burst. The engine ran out of control whilst he was adjusting the governing mechanism.

A native was fatally burnt when the filling manifold of oxygen cylinders ruptured. The manifold showed signs of internal erosion. It had been tested annually at a pressure of 4,800 lb. per square inch.

A European girl was electrocuted in a bath due to a damaged wire in a conduit in the roof of the bathroom. The electrical installation of the house was not earthed.

A European was electrocuted whilst he was making unauthorised extensions to electric wiring. He was not an electrician.

A European child was electrocuted when she came into contact with a refrigerator in which was a damaged wire.

A European woman and her daughter were electrocuted when they came into contact with an overhead transmission line which had blown down during a storm.

A European woman was electrocuted when she got hold of an earth wire which had been disconnected from a water main. The wire became alive due to a fault in one of the light fittings.

A native received a shock from an electric portable drill and was killed by falling from a height of 50 feet. It was found that the red lead of the three-core cable was used as the earth wire at the drill end and when the cable was extended the red wire was connected to a phase at the plug-end of the cable.

A piece of firewood fell from a conveyor on to a driving belt. When it reached the pulley it was projected with such force that it struck a native on the head 30 feet away with fatal results.

A European woman was electrocuted by coming into contact with a wire clothes line. This line became charged due to a fault in unauthorised electric wiring of the outbuildings of the residence next door.

Due to a cable fault a heavy surge on the electrical system caused the tank of an automatic circuit breaker to explode. Practically the whole of the switch-house was wrecked. A constable, who was on guard outside the building was buried under the debris and died as a result of injuries received.

Whilst working a circular saw a European was killed by being struck on the head by a piece of the saw when it fractured. It was found that the saw had been welded at a crack.

An Indian waiter, on entering a lift, caught his coat in the lock of the landing gate without his knowledge. He started the lift upwards and was injured by being dragged by his coat between the hatchway and the car. Although the car-gate opened, the car did not stop. It was found that there was an intermittent fault on the controller. The Indian died as a result of his injuries.

Non-Casualty Accidents.—The Machinery Regulations require that, although no personal injury is caused, certain classes of accidents which may endanger the safety of persons shall be reported. There were 8 such accidents reported during the year, particulars of which are given below :—

An air receiver burst under pressure and the top could not be found afterwards.

The rear tubes of a boiler slacked off and leakage took place due to the boiler being worked short of water.

An air receiver exploded due to its being fitted with a safety valve with a cock intervening. Oil and air in the receiver were ignited by incandescent carbon.

The top circumferential seam of an air receiver failed under pressure of 110 lb. per square inch, and the top was blown out due to circumferential joints at top and bottom being of poor design and the weld very brittle.

Two compressed air receivers exploded in a garage due to failure of the welded seam of one of the air receivers, probably the old one, which struck the adjacent receiver and caused it to collapse as a result of the shock received.

A staff elevator developed an intermittent electrical defect which caused the elevator to move from the ground floor upwards, out of control of the operator, just as a passenger was entering the lift. He was pulled into the lift by the operator in time to avert an accident.

The smoke-baffle plate in the rear combustion space of a boiler collapsed, resulting in overheating of the end tube-plate in steam space and consequent slackening of the rivet tension in the seam, causing it to leak badly.

An air receiver burst at a garage due to a faulty pressure regulating switch and absence of a safety valve.

With the amount of statutory work to be done no routine inspections of compressor plants can be undertaken by the present staff. The regulations governing air receivers and compressors are to be amended so as to prevent indiscriminate welding of receivers and to provide adequate fittings.

(5) Working Conditions.

There was an increase in factory personnel during 1939, this being most marked in Johannesburg and on the Reef. In some areas, however, there was a shortage of European labour. A general improvement in working conditions was noticeable, and a five-day working week is becoming popular in several areas.

Where a five-day week is adopted, 47½ hours per week or less is worked.

Hours of Work.—Bakeries continued to be the chief offenders in working consistent overtime during 1939, and claims for overtime pay were made against several firms. Many engineering firms worked a large amount of overtime, and complaints were received to the effect that an hour's break after five hour's work was not always given. In some cases excessive overtime amongst Native labourers, although paid for, was reduced as a result of the Department's representations. Considerable overtime was worked by many factories during the last four or five months of the year owing to the war. In many cases urgent Government orders had to be executed, and heavy stocks were laid in by many merchants owing to the war scare. Much of the overtime was necessitated by the lack of an extra supply of suitably trained labour which might otherwise have been engaged to cope with the large increase in orders.

Employment of Women.—No fresh avenues of employment for women were opened in 1939, and the number of women employed remained at a more or less steady level. Considerable difficulty was experienced in supplying the demand for both skilled and unskilled women workers in certain industries, owing to the reluctance on the part of European women to accept factory work. Many prefer employment in a shop or café to such work. This proved an obstacle to many factories who were making efforts to increase their number of European employees with a view to employing purely European labour. Complaints in regard to undesirable proximity of Asiatics and Natives to European females decreased to a great extent as a result of action taken by the Department. In many cases occupiers were put to considerable expense in order to remove or obviate complaints on this score. A new hostel for working girls was completed in one of the largest centres, and another was commenced, while in a third, a successful recreation club for factory girls was started.

Employment of Juveniles.—The employment in factories of persons under the age of 14 years is prohibited, and the Act provides that no boy or girl under the age of 16 years shall be employed in a factory without a certificate of physical fitness issued by a medical officer. During the year 354 such certificates were issued, an increase of 27 over 1938. Thirteen juveniles were found to be medically unfit for factory work, this being a decrease of four compared with the figure for the previous year.

Exemptions.—There was an increase of 109 in the number of establishments granted permission to work on Sundays, and an increase of 4,009 in the number of males, and 739 in the number of females involved. Exemption from the

provisions relating to working hours was granted in the case of seasonal industries, such as fruit and egg packing, jam making and in creameries. Compared with the previous year there was an increase of 17 in the number of applications granted and an increase of 1,850 in the number of males and 1,669 in the number of females affected. A limited number of exemptions was granted allowing the employment of women and boys between the hours of 6 p.m. and 9 p.m. or 5 a.m. and 7 a.m. in bakeries and in printing, fruit canning and other factories where continuous processes or the perishable nature of the goods handled rendered it necessary.

Outworkers.—The number of outworkers engaged in the garment-making industry as at the 31st December was 828, compared with 948 the previous year and 782 as at the 31st December, 1937.

(6) Welfare.

First Aid.—In factories in which there are ten or more employees, it is encumbent upon the employer to provide properly equipped first-aid boxes under the charge of a competent person. These requirements were fully observed in most factories, and there was an increase in the number of factories providing first aid ambulance rooms. At the commencement of the war there was a temporary shortage of cotton wool and other items of equipment for first aid boxes. With the outbreak of war interest in first aid has revived considerably, and many factory workers have taken advantage of training classes conducted by the South African Red Cross Society and the St. John's Ambulance Association. The South African Red Cross Society commenced to issue a series of safety first posters in 1939. Except for the Mines, which have long been catered for in this respect by the Prevention of Accidents Committee, South Africa was previously one of the very few industrial countries without a local safety first poster service.

Industrial Diseases.—One fatal case of anthrax occurred in the Eastern Province during the year. A native male employed in a skin store contracted the disease on the neck where he had been scratching himself. The infection was attributed to skins brought from outside the Union, and precautions were taken against further infection.

One case of dermatitis occurred in a sweet factory, and 32 cases in a factory manufacturing fruit juices. In the latter case infection occurred on the bare feet as well as on the hands of some of the workers.

Several cases of lead poisoning occurred in a factory engaged in battery manufacture.

A case of alleged asbestosis was investigated, but it could not be definitely established whether or not the employee was actually suffering from this disease.

Protective Clothing.—Most employers were willing to comply with the requirements relating to the use of protective clothing by workers, but in some cases compulsion had to be resorted to in order to obtain compliance.

Seating.—The requirements of Section 29 (*k*) of the Act regarding seats for female workers were generally well observed.

Rest- and Cloak-rooms.—In most inspectorates there has been an improvement in the conditions in this respect. In some cases difficulty has been experienced in convincing occupiers that workers will use and appreciate such facilities, while on the other hand difficulty is found in persuading some employees to make use of the facilities and to keep them clean and not damage fittings, etc.

Confinement Allowances.—During the year 476 applications for confinement allowances under Section 18 of the Act, involving a sum of £4,962. 7s. 6d. were approved. Compared with the previous year, these figures show an increase of 24 in the number of grants approved, and of £422. 3s. 2d. in the amount disbursed.

(7) Statistics.

(*a*) *Prosecutions.*

Section or Regulation Contravened.	Number of Cases.	Results.		Penalties.
		Discharged.	Convicted.	
				£ s. d.
Section 6 (2) (*b*).				
Failing to produce time and wage register	2	—	2	5 6 8
Section 8.				
Occupying unregistered premises	33	4	29	115 12 0
Section 9 (*e*).				
Maximum number of persons employed	1	—	1	1 0 0
Section 12 (1).				
Failing to keep time and wage register	12	1*	11	33 2 0
Section 12 (2).				
Failing to exhibit Certificate of Registration	1	1	—	3 0 0
Section 12 (3) read with Section 12 (1).				
Failing to keep records	2	—	2	3 10 0
Sections 12 and 17.				
Failing to record actual hours worked	1	—	1	3 0 0
Section 13 (1) (*a*).				
Employing for more than 48 hours per week	6	1	5	10 10 0
Section 13 (1) (*c*).				
Employing a worker for more than 5 hours continuously without a break	9	—	9	25 0 0
Section 14 (*a*).				
Employing juveniles for more than 45 hours per week	1	—	1	1 0 0
Section 14 (*b*).				
Employing juveniles for more than 8 hours per day	1	—	1	1 0 0
Section 15 (1).				
Employing females during night hours	3	—	3	10 0 0
Section 17 (2) (*a*).				
Excessive overtime for females and juveniles	2	—	2	6 0 0
Section 17 (2) (*b*).				
Overtime on consecutive days, females and juveniles	3	—	3	8 0 0
Section 17 (2) (*b*) read with Section 15.				
Working female overtime during night hours	1	—	1	0 10 0
Section 17 (2) (*d*).				
Working females and juveniles on holidays and half-holidays	2	—	2	5 0 0
Section 17 (4).				
Failing to pay overtime	2	—	2	3 0 0
Section 17 (5).				
Failing to keep Overtime Register	3	—	3	4 10 0
Section 17 (6).				
Overtime injurious to health of workers	2	—	2	5 0 0
Section 19 (*a*).				
Allowing women to take meals in room where manufacturing processes are carried on	1	—	1	2 10 0
Section 19 (*b*).				
Allowing women to work during meal interval	2	—	2	6 10 0
Section 22.				
Failing to keep prescribed outwork register	2	—	2	4 10 0
Section 26 (1) (*a*).				
Employing persons on Sunday without permission	7	1* / 1	5	15 0 0
Section 26 (1) (*b*).				
Employing women after 1 p.m. on Saturdays	1	—	1	2 10 0
Section 26 (2).				
Employing persons on Sundays without permission	1	—	1	2 0 0
Section 28 (*c*).				
Failing to keep exit to fire escape clear and unobstructed	3	—	3	15 2 0
Section 29 (*d*).				
Failing to provide adequate ventilation	2	—	2	5 10 0
Section 29 (*h*).				
Failing to provide adequate lighting at workplace	4	1*	3	6 10 0
Section 29 (*i*).				
Failing to provide change room and washing facilities	1	—	1	0 10 0
Section 29 (*j*).				
Failing to lime-wash walls	1	—	1	0 10 0
Section 29 (*l*).				
Failing to provide accommodation for clothing put off	21	1	20	63 16 8
Section 29 (*m*).				
Failing to provide protective clothing	1	—	1	5 0 0
Section 32 (*b*).				
Failing to carry out requirement *re* lagging of steam pipes	1	—	1	2 10 0
Section 33 (*a*).				
Fraudulently altering certificate of registration	1	—	1	2 10 0
Section 33 (*d*).				
Making false entries in time and wages register	1	—	1	3 0 0
Chapter I, Regulation 12.				
Failing to submit outwork returns	7	—	7	14 10 0
Chapter I, Regulation 16.				
Failing to render overtime returns	3	—	3	8 0 0
Chapter I, Regulation 18.				
Using workroom under 10 feet in heigth	4	—	4	12 0 0
Chapter I, Regulations 19 and 20.				
Failing to provide special means of ventilation	9	1* / 1	7	31 12 0
Chapter I, Regulation 22.				
Failing to provide sufficient sanitary accommodation for workers	4	—	4	14 10 0

* Withdrawn.

Section or Regulation Contravened.	Number of Cases.	Results.		Penalties.
		Discharged.	Convicted.	
CHAPTER I, REGULATION 23.				
Failing to provide washing facilities	11	—	11	24 6 8
CHAPTER I, REGULATION 26.				
Failing to notify in writing the closing of a factory	2	—	2	4 0 0
CHAPTER II, REGULATION 6.				
Failing to provide and maintain supply of soap, nail-brushes, towels, etc	1	—	1	5 0 0
CHAPTER III, REGULATION 2.				
Failing to provide overalls	4	1	3	3 10 0
CHAPTER IV, REGULATION 1.				
Failing to provide a satisfactorily equipped first aid box	6	—	6	20 0 0
CHAPTER V, REGULATION 3.				
Failing to provide separate fireproof cubicle with mechanical ventilation for carrying out of cellulose spraying	1	—	1	5 0 0
CHAPTER VI, REGULATIONS 4 (1), (3), 9 (1), (4) and 26.				
Failing to ensure observance of the requirement of the regulations and to guard machinery	1	—	1	24 0 0
CHAPTER VI, REGULATION 4 (9).				
Failing to provide fans or atomizers to prevent dust	1	—	1	1 0 0
CHAPTER VI, REGULATION 8 (4).				
Deputing work to another person without the sanction of his official superior	1	1	—	—
CHAPTER VI, REGULATIONS 9 (1) and 4.				
Failing to display abstract Regulations or keep a copy of the regulations	1	1	—	—
CHAPTER VI, REGULATION 17 (2) (*a*).				
Wearing of loose outer clothing	1	—	1	1 0 0
CHAPTER VI, REGULATION 22 (2).				
Treating driving-straps with resin while in motion	1	—	1	0 10 0
CHAPTER VI, REGULATION 24 (*a*).				
Failing to guard shafting	1	—	1	2 0 0
CHAPTER VI, REGULATION 24 (*e*) and (*i*).				
Failing to guard all parts of wheels, drums, pulleys and certain driving straps within reach	1	—	1	5 0 0
CHAPTER VI, REGULATION 25 (10) (*c*).				
Failing to guard hand saw	1	—	1	3 0 0
CHAPTER VI, REGULATION 26.				
Failing to guard machinery	1	1	—	—
CHAPTER VI, REGULATION 33 (3).				
Failing to guard Electrical machinery and conductors	1	1	—	—
CHAPTER VI, REGULATIONS 40 (1), 70 (1) (*c*), read with REGULATIONS 4 and 130.				
Using boiler without certificate of permission and failing to give notice of transfer of boiler from one user to another	1	—	1	4 0 0
CHAPTER VI, REGULATION 70 (1) (*b*).				
Failing to give notice of suspension of use of boiler	1	—	1	5 0 0
CHAPTER VI, REGULATION 70 (1) (*c*), read with REGULATIONS 4 and 130.				
Failing to give notice of transfer of boiler from one user to another	1	—	1	2 0 0
TOTAL	203	18	185	571 18 0

* Withdrawn.

(*b*) *Number of Plans Submitted by Municipalities, etc.*, 1939; *New Premises and Alterations and Extensions of Existing Premises.*

Inspectorate.	New Premises.	Alterations and Additions.	Total Number.
Cape Western Province	47	120	167
Cape Eastern Province (Midlands)	17	29*	46
Cape Eastern Province (Border)	3	6	9
Natal	58	66	124
Transvaal	112	253	365
Orange Free State	8	28	36
TOTAL	245	502	747

* Five drainage.

(*c*) *Premises Registered and Closed*, 1939.

Inspectorate.	Number of Factories Registered as at 31/12/38.	Number Registered during 1939.	Transferred into District during 1939.	Transferred out of District during 1939.	Closed Down during 1939.	Awaiting Registration at 31/12/39.	Total Number of Registered Factories as at 31/12/39.
Cape Western Province	1,129	109	—	—	98	20	1,140
Cape Eastern Province (Midlands)	434	30	—	—	30	179	434
Cape Eastern Province (Border)	310	17	—	—	26	7	301
Natal	1,075	150	—	—	111	27	1,114
Transvaal	2,574	367	—	—	277	166	2,664
Orange Free State	282	57	—	—	34	18	299
TOTAL	5,804	724	—	—	576	417	5,952

(*d*) *Accidents during* 1939, *according to Industry.*

Industry.	Total Number of Casualties.	Killed.				Injured.				Number of Separate Accidents
		European.	Coloured.	Asiatic.	Native.	European.	Coloured.	Asiatic.	Native.	
FACTORIES.										
CLASS I.										
Treatment of Raw Material, the product of agricultural and pastoral pursuits (excluding tannery)	27	—	—	—	—	2	1	2	22	27
CLASS II.										
Processes in Stone, Clay, Earthenware and Glass	62	—	2	—	6	8	3	2	41	62
CLASS III.										
Timber, Sawmills, Firewood	113	—	—	—	7	21	9	2	74	113
CLASS IV.										
Metal Engineering, Machinery, Motor Engineering	220	—	1	—	14	101	8	1	95	218
CLASS V.										
Preparation, Treatment and Preserving of Food, Drink, Condiments and Tobacco	101	2	—	—	3	37	10	8	41	101
CLASS VI.										
Production of Clothing (excluding boots and shoes), Textile Fabrics and similar articles	10	—	—	—	1	2	2	1	4	10
CLASS VII.										
Books, Paper, Printing and Engraving	33	—	—	—	—	21	6	2	4	33
CLASS VIII.										
Vehicles (mechanically propelled and otherwise), Fittings for, and Parts of	1	1	—	—	—	—	—	—	—	1
CLASS IX.										
Breweries and Bottling	5	—	1	—	—	2	—	1	1	5
CLASS X.										
Furniture, Bedding and Upholstery	33	—	—	1	—	23	3	1	5	33
CLASS XI.										
Drugs, Chemicals (including fertilizers) and By-Products, Paints, Varnishes, and Allied Products	52	2	—	—	2	14	2	1	31	49
CLASS XII.										
Surgical, Dental and other Scientific Instruments and Appliances (including Musical Instruments)	—	—	—	—	—	—	—	—	—	—
CLASS XIII.										
Jewellery, Diamond Cutting, Opticians	—	—	—	—	—	—	—	—	—	—
CLASS XIV.										
Laundries, Cleaning and Dyeing	7	—	—	—	—	—	3	—	4	7
CLASS XV.										
Leather and Leather Work	23	—	—	—	1	12	4	1	5	23
CLASS XVI.										
Building, Carpentry, General Woodwork, Undertaking	27	—	—	—	—	18	1	—	8	27
CLASS XVII.										
Miscellaneous	57	—	—	—	1	24	5	6	21	57
TOTALS—FACTORIES	771	5	4	1	35	285	57	28	356	766

(*d*) *Accidents during* 1939, *according to Industry*—(continued).

Industry.	Total Number of Casualties.	Killed.				Injured.				Number of Separate Accidents.
		European.	Coloured.	Asiatic.	Native.	European.	Coloured.	Asiatic.	Native.	
NON-FACTORIES.										
Electric Power Stations and Distribution Systems	75	13	4	—	3	26	12	1	15	71
Municipal Works other than Power Stations	10	2	—	—	—	7	—	—	1	9
Buildings, Flats, Shops, Private Houses, etc.	11	1	—	1	—	5	—	—	4	11
Other Concerns not liable for Registration..	22	1	—	—	5	11	—	—	6	22
TOTALS—NON-FACTORIES.....	118	17	4	1	8	49	12	1	26	113
GRAND TOTALS.....	889	22	8	2	43	334	69	29	382	879

(*e*) *Accidents during* 1939—*Classification.*

Classification.	Total Number of Casualties.	Killed.				Injured.				Number of Separate Accidents.
		European.	Coloured.	Asiatic.	Native.	European.	Coloured.	Asiatic.	Native.	
I (*a*). Prime Movers.....	4	1	—	—	—	2	—	1	—	4
I (*b*). Transmission Machinery.....	19	—	1	—	2	3	3	1	9	19
I (*c*). Lifting Machinery.....	42	1	—	1	1	13	2	2	22	41
I (*d*). Working Machinery.....	349	2	1	1	6	148	39	15	137	349
II. Explosions, Fire.....	18	2	1	—	2	8	—	1	4	18
III. Poisonous, Hot or Corrosive Substances..	64	1	—	—	9	16	4	1	33	63
IV. Electricity.....	41	11	4	—	5	15	3	—	3	39
V. Falls of Persons.....	72	4	1	—	11	23	4	2	27	69
VI. Stepping on or striking against Objects..	17	—	—	—	—	11	1	—	5	17
VII. Falling Objects.....	49	—	—	—	3	20	2	3	21	49
VIII. Handling without Machinery.....	112	—	—	—	1	33	6	2	70	111
IX. Hand Tools.....	29	—	—	—	—	19	4	—	6	29
X. Miscellaneous.....	73	—	—	—	3	23	1	1	45	71
TOTAL.....	889	22	8	2	43	334	69	29	382	879

8. UNEMPLOYMENT BENEFIT ACT, 1937.

REPORT BY THE CENTRAL AUTHORITY.

Chairman: Mr. W. D. NORVAL, Under-Secretary for Labour.

Members: Messrs. M. S. TOBIAS, Industrial Registrar, and H. L. PARKER, Accountant, Department of Labour.

As was mentioned in the report for the previous year, employers in the scheduled industries were hesitant about taking steps to secure the application of the Act, and during the year under review the Central Authority continued with its work of overcoming their objections to the measure. While the Minister has the power, in terms of Section 4 (2) of the Act, to establish funds in the absence of applications therefor from either or both employers' organizations and trade unions, the Central Authority endeavoured to secure at least an assurance of co-operation from these bodies before any final steps were taken in this direction. This is considered necessary as the successful administration of a fund by a Committee composed of representatives of these bodies is best assured if they have indicated their willingness to co-

operate. Experience with certain industries has shown, however, that notwithstanding the efforts made, the likelihood of securing this co-operation is remote, and in order that the successful administration of a fund need not be too dependent on this factor, steps are being taken to amend Section 9 of the Act to empower the Minister to appoint public servants as members of the committees if necessary.

As the year advanced the practical experience gained in the administration of the existing funds made it apparent that the Act should be amended in other respects as well. Thus, in its contact with the clothing industry in the Transvaal, when dealing with the application for a fund received from the Garment Workers' Union, the contributor's rate of contribution in Group III, i.e. 1s. per week for persons earning in excess of £130 per annum was found to be a real difficulty. Consequently, power to vary the rates of contribution prescribed in the Act on the establishment of a fund appeared to be necessary, and it has been recommended that the Act be amended accordingly.

It was found to be desirable that the Act should provide, when necessary, for the appointment of public servants as officials of funds. On various occasions the Central Authority was informed by employers' organizations that while they were quite prepared to pay the contributions, they were unwilling to bear the entire responsibility of administration. Having public servants as officials of the funds, under the direction of the Divisional Inspector of the district, would relieve the Committees of a certain amount of detailed administrative work. With the provision mentioned above, industry itself would be partly relieved of the responsibility of administration. Any costs involved in this proposal would be recovered from the fund or funds concerned.

No further applications for the establishment of funds were received during the year under review. Of those received during the previous year one had been disposed of in that year on the establishment of a fund for the Motor Engineering Industry (Transvaal), and a fund for the Gold Mining Industry was established on the 1st December, 1939. This left the following applications for disposal:—

Industry.	*From Trade Union.*	*Area Involved.*
Building	5	Union of South Africa.
Mechanical and Electrical Engineering	3	Transvaal.
Leather and Footwear	1	Union of South Africa.
Clothing	1	Transvaal.

In the case of the Building Industry, a number of meetings with representatives of the National Federation of Building Trade Employers took place. As the Industry is organised on a national basis, and as most of the applications were in respect of the Union of South Africa, the desirability of a national fund was strongy felt. This aspect of the matter is at present under consideration. Both in the case of this Industry and in the case of the Leather and Footwear Manufacturing Industry the absence of the necessary provision in the Act to relieve industry of the work of administration has to a large extent accounted for the failure hitherto to establish funds.

Negotiations with the Mechanical and Electrical Engineering Industry in the Transvaal are proceeding, and a fund for this Province should be established during 1940. As regards the Clothing, the Printing and Newspaper and the Furniture Making Industries, provision has been made in industrial council agreements for unemployment benefit. The policy of the Department not to recommend such provisions for approval by the Minister, in order to encourage the full use of the machinery provided in the Unemployment Benefit Act, has been departed from in the case of these industries. In the Printing and Newspaper Industry this policy was modified, as it could be shown that the ultimate benefits under the existing agreement fund were higher than under the Act and as, furthermore, it was clear that the National Industrial Council was a stable and permanent body. As far as the Clothing Industry is concerned a temporary departure from the above policy was permitted pending the amendment of the Act in respect of the rates of contribution, while in the Furniture Making Industry the unemployment benefit provisions were allowed to continue under the agreement pending the investigation of the best means of applying the Act. It is anticipated that a fund under the Act for the last-mentioned industry will be established during 1940.

Section 33 (1) of the Act requires the Central Authority to report specifically on the various funds. The fund for the Gold Mining Industry was established on the 1st December, 1939. A departure from the accounting system laid down in the published regulations was made in this case in that stamps and contributions books were abolished as a means of recording contributions and a system of personal

ledger accounts in respect of individual contributors was introduced. This necessitated the publication of special regulations for the Fund. No contributions had been collected as at the end of the year, and nothing has occurred calling for special comment at this stage.

Regarding the Fund for the Motor Engineering Industry, benefit payments became due on the 3rd April, 1939. The unemployment position in this industry in the area of the Fund was exceptionally favourable, and for the greater part of the year the percentage of unemployed contributors drawing benefit to the total number of contributors on the books of the Fund was less than a half of one per cent. The highest percentage in any month was recorded in September, 1939, immediately after the outbreak of war, when it was 1·62. Since then the position has returned to normal. The following table gives the number of contributors and employers and other relevant particulars for the year 1939 :—

1.	Number of employers at 31/12/39	637
2.	Number of contributors at 31/12/39	6,832
3.	Average number of contributors per employer	10·7
4.	Monthly average number of contributors over the year	6,220
5.	(*a*) Total number of contributors who applied for benefit	544
	(*b*) Monthly average (for 9 months)	60·4
	(*c*) Percentage of item 5 (*b*) to item 4	0·97
6.	Time lost by contributors—	
	(*a*) Number of days lost in " waiting period " described in Section 43 (1) (*b*) and (*g*)	2,636 days.
	(*b*) Number of days for which benefit paid (from April)	9,640
		12,193 days.

The following statement reflects the Fund's total income and expenditure for the year :—

Income (including State's Contribution)		£23,768
Expenditure—		
Benefit	£2,269	
Administration	1,866	
		4,135
Excess of Income over Expenditure		£19,633
Average Weekly—		
Income		£457
Expenditure on Benefit		53
Percentage—		
Administration to Income		7·85
Benefit to Income		9·54

The total amount invested with the Public Debt Commissioners by the Central Authority on behalf of the fund (including the balance for 1938) amounted to £20,734. 10s. 10d. at the end of the year. Of this amount £9,948. 10s. was in Government Stock.

The Committee of the Fund performed its functions in a satisfactory manner and no complaints either from employers or contributors were received. Certain administrative difficulties were experienced at times, but these were subsequently remedied.

The Central Fund, established in terms of Section 29 (1) of the Act amounted to £5,127. 15s. 10d. at the end of the year. This amount was composed entirely of the 25 per cent. contributed by the State on contributions collected in respect of the Fund for the Motor Engineering Industry (Transvaal). No calls were made on the moneys of the Central Fund during the year, the whole amount being invested with the Public Debt Commissioners, £1,970 being in Government Stock.

Statements of income and expenditure and balance-sheets as at the 31st December, 1939, in respect of the three funds, are attached to this report.

Department of Labour.

Central Unemployment Benefit Fund.

(1) *Income and Expenditure Statement for the Calendar Year Ender the 31st December*, 1939.

Income.	£	s.	d.	*Expenditure.*	£	s.	d.
Amount received in terms of Section 29 (2) of Act No. 25 of 1937	4,679	15	2	Expenditure	Nil		
Interest on deposits received in terms of Section 30 (2) of Act No. 25 of 1937	50	5	4	Balance	4,730	0	6
	£4,730	0	6		£4,730	0	6

(2) *Balance-Sheet as at 31st December*, 1939.

Liabilities.	£	s.	d.	*Assets.*	£	s.	d.
Amount received in terms of Section 29 (2) of Act No. 25 of 1937	5,077	10	6	Deposits with Public Debt Commission	5,127	15	10
Interest on deposits received in terms of Section 30 (2) of Act No. 25 of 1937	50	5	4				
	£5,127	15	10		£5,127	15	10

Certified correct.

(Sgd.) W. D. NORVAL, Chairman.
Central Authority for Unemployment Benefit Funds.

Pretoria, 6th March, 1940.

Unemployment Benefit Fund for the Motor Engineering Industry (Transvaal).

Statement of Revenue and Expenditure for the Period 1st January to the 31st December, 1939.

Expenditure.	£	s.	d.	*Revenue.*	£	s.	d.
Surplus Funds Invested with Public Debt Commissioners	19,749	15	8	Contributions by Employers and contributors	18,878	4	8
Salaries and Wages	1,105	6	0	Contributions from Government Funds	4,679	15	2
Subsistence Expenses	2	6	8	Interest on Investments	205	9	0
Travelling Expenses	151	11	0	Miscellaneous Revenue	2	11	6
Furniture and Fittings	45	15	0	Suspense Account	1	14	8
Audit Fees	21	0	0	Cash in hand and at bank as at 1st January, 1939	1,737	7	11
Attendance Fees	37	16	0				
Benefits	2,269	0	0				
Bad Debts	0	8	0				
Contributions Refunded	52	1	4				
Government Printer	27	10	10				
Insurances	22	13	1				
Office Sundries	30	17	5				
Postages	63	7	3				
Printing	9	2	0				
Rent	97	10	0				
Stationery	169	16	8				
Telephone Account	29	0	4				
Cash in hand at Bank	1,620	5	8				
	£25,505	2	11		£25,505	2	11

Certified correct.

(Sgd.) SYDNEY J. CLOW, Chairman.
(Sgd.) E. BLACKWELL, Secretary.

Johannesburg, 28th February, 1940.

Balance-Sheet, 31st December, 1939.

Liabilities.	£	s.	d.	*Assets.*	£	s.	d.
Rent unpaid	7	10	0	Surplus Funds invested with Public Debt Commissioners	20,734	10	10
Mathieson & Ashley	0	2	6	Cash in hand and at Bank	1,620	5	8
Government Printer	9	9	5	Contributions from Government Funds due but not paid	373	5	4
Woolliams & Co.	1	0	0	Stationery (estimated)	10	0	0
W. H. Davis, Ltd.	0	7	0	Equipment as cost. £194 19 1			
Excess of Assets over Liabilities	22,875	12	2	*Less* Depreciation 38 19 10	155	19	3
	£22,894	1	1		£22,894	1	1

Certified correct.

(Sgd.) SYDNEY J. CLOW, Chairman.
(Sgd.) E. BLACKWELL, Secretary.

Johannesburg, 28th February, 1940.

UNEMPLOYMENT BENEFIT ACT, 1937
(No. 25 of 1937).

UNEMPLOYMENT BENEFIT FUND FOR THE GOLD MINING INDUSTRY.

Revenue and Expenditure Account for the Period 1st to 31st December, 1939.

	£	s.	d.		£	s.	d.
To Committee Members' Fees....	80	17	0	By Balance—			
,, Salaries.....	119	2	3	Excess of Expenditure over Revenue transferred to Accumulated Fund Account.....	490	9	2
,, Office Rent and Hire of Board Room.....	18	6	6				
,, Printing and Stationery.....	224	10	6				
,, Postages and Telephone Charges.....	23	10	8				
,, Miscellaneous Office Expenses.	24	2	3				
	£490	9	2		£490	9	2

Certified Correct.

(Sgd.) A. A. MOORE, Chairman.
(Sgd.) G. C. LOCKE (A.S.A.A.) [C.A. (S.A.)],
Secretary-Accountant.

Johannesburg, 9th February, 1940.

UNEMPLOYMENT BENEFIT ACT, 1937.
(No. 25 of 1937).

UNEMPLOYMENT BENEFIT FUND FOR THE GOLD MINING INDUSTRY.

Balance-Sheet, 31st December, 1939.

	£	s.	d.		£	s.	d.
Secretary for Labour—				*Office Furniture and Equipment*...	261	15	3
Advance to meet preliminary expenditure in terms of Section 7.....	639	0	0	*South African Reserve Bank*.....	277	11	7
Sundry Creditors.....	405	16	0	*Cash on Hand*.....	15	0	0
				Accumulated Fund Account—			
				Balance Excess of Expenditure over Revenue per Revenue and Expenditure Account...	490	9	2
	£1,044	16	0		£1,044	16	0

Certified correct.

(Sgd.) A. A. MOORE, Chairman.
(Sgd.) G. C. LOCKE (A.S.A.A.) [C.A. (S.A.)],
Secretary-Accountant.

Johannesburg, 9th February, 1940.

9. WORKMEN'S COMPENSATION ACT, 1934, AS AMENDED BY ACT No. 38 OF 1936.

REPORT OF THE WORKMEN'S COMPENSATION COMMISSIONER FOR THE YEAR 1939 (Mr. J. F. MALHERBE).

In framing this report, the same lines have been followed as in previous reports, i.e. the sections of the Act are dealt with, as far as possible, in their numerical order.

For the sake of convenience the word "workman" will, *mutatis mutandis*, include the dependants of a deceased workman.

As stated in last year's report, there is still a considerable amount of ignorance in regard to the Act and its provisions. Thus an employer in a country district inquired whether the Workmen's Compensation Act was a real Act of Parliament, of general application, or merely a municipal by-law which applied only to the municipality by which it was issued. One employer who had failed to take out the necessary insurance policy pleaded that he did not know he had to be in possession of such a policy, and in at least two instances, the dependants of workmen intimated that they were unaware of the fact that they were entitled to claim compensation in respect of injuries sustained by the workmen at their work. Many claimants placed their claims for compensation in the hands of attorneys when there was no need for this to be done, as liability to pay had not been repudiated, thus incurring needless expense. They stated subsequently that they did not know the law and were not aware of the fact that they could approach the Workmen's Compensation Commissioner for assistance. This is all the more surprising because every effort has been made to encourage workmen and their dependants to interview or write to the Commissioner who is always ready to give advice and to assist in the investigation of claims for compensation and other matters referred to him.

That many workmen are totally ignorant of the provisions of the Act cannot be denied. It is considered that labour organizations can be of great assistance by explaining to workmen the provisions which directly affect them, and it may be mentioned that copies of the Act, bound in pamphlet form, are obtainable from the Government Printer at a cost of one shilling each.

The Commissioner's help and advice are, however, being increasingly sought and the number of interviews is becoming greater. This is as it should be, for in this manner genuine claims are brought to finality more cheaply and expeditiously, whereas in cases where it would be obviously futile to institute court proceedings, workmen who consider themselves aggrieved can more easily be made to understand that it is in their interest not to proceed with such claims.

The Commissioner's advice and assistance are also continually being sought by insurance companies, employers, doctors and others, and are always freely given where possible as the smooth working of the Act and regulations is thereby encouraged.

No amendments were made to the Act during 1939, and no decisions were given by courts of law affecting the interpretation of any section of the Act. Sections 13 (1) (*b*) and 19 are, however, affected by Section *twelve* of the Railways and Harbours Regulation Control and Management Amendment Act, No. 36 of 1939, in so far as the time within which action may be commenced against the South African Railways and Harbours Administration is concerned.

Application of the Act.

Section 2.—Information continues to be sought with reference to the payment of compensation in respect of disablement by disease, other than an industrial disease, aud it is necessary to repeat what was stated in last year's report in this regard. In the case of a scheduled industrial disease (see the Second Schedule to the Act) the workman, or his dependants if he has died, may claim compensation where it appears from a certificate granted by a medical practitioner :—

(*a*) that the workman was suffering from such a disease, causing disablement, or that his death was caused thereby ; and

(*b*) that such disease was due to the nature of the workman's employment, as set out in the Second Schedule, at any time within twelve months of such disablement or death.

If the workman's claim is supported by such a medical certificate, then the employer, if he wishes to avoid liability for the payment of compensation or the cost of medical aid incurred, must prove that no liability attaches to him in terms of the Act.

Many instances have occurred where workmen had contracted diseases other than scheduled industrial diseases in the course of their work, and it was asked whether they were entitled to compensation. This was principally the case in regard to nurses in hospitals who had contracted typhoid fever, diphtheria, scarlet fever, tuberculosis or mumps, where they had nursed patients actually suffering from these diseases. The contention was put forward that these diseases could not have been contracted otherwise than from the patients who suffered therefrom and that compensation is payable *ipso facto*, and to the uninitiated it would appear that this contention admits of no argument. Yet this is not the case, for the workman must prove that every case of disease causing disablement, except a scheduled industrial disease, was caused by some accidental circumstance or event in order to entitle him to the benefits of the Act. The underlying principle is that the disablement must have been caused by accident, the occurrence of which the workman must prove.

The following *dicta* by English judges are of interest in this connection, the corresponding section of the English Workmen's Compensation Act being, for all practical purposes, worded similarly to the South African Act :—

> If there be no direct evidence as to how an accident happened, and the facts proved leave it equally possible that it did not arise out of the employment, the burden is not discharged.—Collins, M. R., in *Pomfret* vs. *Lancashire and Yorkshire Railway Company* (1903) 5 W.C.C. 22.

> The applicant (the widow of the workman) has to establish that her husband's death was caused by accident arising out of and in the course of his employment, and if she has only established by evidence a state of things which leaves the court in the position of having to guess or conjecture where, in fact, the deceased was infected with the disease (typhoid), then it has been held and is well-established in law that there is no right to guess.—Slesser, L. J., in *Hannon* vs. *John Mowlem & Co., Ltd.* (1937) 30 B.W.C.C. 139.

> Neither this court nor the House of Lords has ever attempted to say, or ventured to say, that a mere disease without accident not attributable to something which may properly be called an accident, entitles a workman to compensation under the Act. . . . All the judges carefully abstained from lending colour to the suggestion that a mere disease which you could not say was contracted at a particular time and at a particular place by a particular accident was an accident which entitled a man to compensation. . . . but except in the case of a disease brought within one or other of these schedules (i.e. of scheduled diseases) and in my opinion except where you can indicate the time, the day, and the circumstance and place in which the accident has occurred by means of some definite event, the case cannot be brought within the general purview of the Act.—Cozens-Hardy, M. R., . . . but we are all agreed that an accident has to be something of an exceptional nature, something which cannot be traced merely to the cumulative work of a dangerous process or place of work going on for years.—Kennedy, L. J., in the case of *Eke* vs. *Sir William Hart Dyke* (1910) 3 B.W.C.C. 482.

> The contraction of a disease is an injury. That injury may or may not be by accident. In order that the workman may succeed, it is necessary that he should shew that the disease was contracted by accident. It is for the workman to establish the accident. The workman must shew how, when and where . . . the circumstances took place which constitute an accident.—Buckley, L. J., in *Martin* vs. *Manchester Corporation* (1912) 5 B.W.C.C. 259.

> The possibility of infection from other sources than the source of infection present at work cannot be overlooked.—Lord Birkenhead in *Grant* vs. *Kynoch* (1919) 12 B.W.C.C. 78.

The following are examples of cases where the accident giving rise to the disease was considered to have been established so as to justify the payment of compensation and the cost of medical aid :—

> In Pretoria a workman employed in the erection of a building was drenched through a bucket of wet cement being accidentally tipped over him before daybreak one morning. He had to work in his wet clothes and in a biting wind for some hours and contracted pneumonia as a result.

> In Kroonstad a hospital nurse was attending to a patient in the last stages of consumption. On one occasion the patient " hæmorrhaged all over the nurse," as a result whereof she contracted the disease.

The foregoing cases have been quoted at length in the hope that they may serve to throw light upon a portion of the Act which seems to be but imperfectly understood. The suggestion has been made that hospital nurses contracting tuberculosis from patients should be deemed to be entitled to compensation whether the element of accident is present or not, and that the Act should be amended accordingly. The suggestion is felt to be impracticable, for, in the first place, it would mean altering the whole underlying principle of the Act, which does not make provision for sickness insurance, but for the payment of compensation in the case of disablement through accident, and secondly, it would be manifestly unfair to limit the alteration to cases of nurses contracting tuberculosis and not to extend it to all classes of workmen and all kinds of disease.

Shortly before the outbreak of the war, but when war clouds were gathering, an insurance company requested to be informed whether the Act would remain in operation if war broke out. The company, no doubt, had in mind claims arising from enemy action or attributable to a state of war, i.e. resulting from circumstances beyond the control of insured employers. The reply given was to the effect that the Workmen's Compensation Act, like all other Acts of Parliament, would remain in force until the Legislature decided otherwise.

General.

Only persons who are " workmen " in terms of the Act (*vide* Section *six*) or their dependants are entitled to its benefits, and then only when the workmen have been disabled or have died as the result of injury by accident. Moreover, the accident must have arisen out of and in the course of the workman's employment. It sometimes happens that applicants claim compensation in cases where the aforementioned requisites have not been fulfilled, and in consequence not only fail in their claims, but have to pay the costs of the action. A workman took his motor car to a garage in Johannesburg during his lunch interval to have some defect attended to, and at the same time gave the foreman under whom he worked a lift to visit

a sick friend. Subsequently he drove the foreman, at the latter's request, to another part of the town where the foreman alleged that he desired to call on business, apparently on behalf of the employer, but for which service the employer would, in the ordinary course, himself have provided the necessary transport. On the way the workman was injured in an accident. The workman's attorneys were advised that the workman was not entitled to compensation, as, at the time of the accident he was not engaged in his employer's business, as the foreman had no authority to make use of the workman's car. The application was, nevertheless, taken to court, with the result that it was dismissed with costs. Another workman swallowed a bone whilst having lunch and the insurance company concerned enquire whether this was a case falling within the scope of the Act. The answer was in the negative.

It has more than once been asked whether a workman who was injured on his way to or from work is entitled to compensation. The answer is that, as the law stands, compensation is payable only if he was, at the time of the accident, acting under the control, either express or implied, of his employer. Ordinarily speaking, an employer's control begins when the workman has arrived at his place of work, and lasts until he leaves it, but if the employer controls the actions of the workman on the way to or from work, e.g. if the workman is compelled to use a prescribed mode of transport or to follow a prescribed route, and is injured whilst so doing, he may be entitled to compensation. It will be appreciated that, especially in these days of heavy motor traffic in urban areas, it would be a great hardship upon employers to be held responsible for mishaps to workmen at times when the latter were acting entirely on their own responsibility, and the cost of insurance would be greatly increased.

The question of what constitutes " course of employment " has been exhaustively dealt with by the English Courts, but it is admitted generally that the meaning of the phrase " arising out of and in the course of employment " cannot be conclusively settled. In the words of Lord Atkinson in *St. Helen's Colliery Company* vs. *Hewitson* (1924, A.C. 59) " a workman is acting in the course of his employment when he is engaged in doing something he is employed to do, or . . . when he is doing something in discharge of a duty to his employer, directly or indirectly imposed upon him by his contract of service. The true ground upon which the test should be based is a duty to the employer arising out of the contract of employment, but it is to be borne in mind that the word " employment " as here used covers and includes things belonging to and arising out of it." The taking of meals on the employer's premises, with the knowledge and consent of the employer, has been successfully brought within the class of " things belonging to and arising out of the employment." Thus, where a workman was eating a meal on his employer's premises with the consent of the latter, and was struck in the eye by a dart thrown by a person playing darts in the same room, he was held to be entitled to compensation, being deemed still to have been in employment whilst having his meal even though he was not paid for that time (*Knight* vs. *Howard Wall, Ltd.*, 31 B.W.C.C. 483). This decision gives a very wide interpretation to the phrase " course of employment," and in the light thereof compensation was paid to a workman who, during the lunch hour, on the employer's premises where she was allowed to have lunch, had climbed on to a table to draw a window curtain, and had fallen and injured herself.

Although every effort is made to ensure the expeditious payment of compensation, cases occasionally arise where it is not possible to prevent delay. Payment is retarded in all those cases where it is necessary to make investigations before the Commissioner's directions can be issued in terms of Section *thirty-seven* of the Act. Where hardship is likely to result from the delay caused whilst investigations are being made, advances are usually made against the compensation due. Frequently the claimants themselves allow months to elapse before bringing their claims forward, and then they expect immediate settlement. Sometimes employers fail to notify insurance companies promptly of accidents to their workmen, and in one case an employer held back payment of compension to the widow of a workman for five weeks after having received the Commissioner's directions to pay the full amount to her, because she had expressed the intention of instituting proceedings for the recovery of additional compensation on the ground of negligence of the employer. The latter wished to utilize the compensation money, or a substantial part thereof, as a set-off against the costs *to be incurred* by him should the widow be unsuccessful in her action. This procedure did not appear to be justified because although the compensation had become due and payable in terms of Section *forty-nine* of the Act, no costs had, as yet, been incurred which could be set off against it as contemplated by Section 29 (5) thereof, nor would such costs arise if the widow were successful in her proposed action.

An instance of unavoidable delay in paying compensation was the following :—

> A workman working on a bridge, fell into a flooded and crocodile-infested river in Zululand on the 14th February, 1939. His body was never recoverep and it, therefore, became necessary for the dependants to obtain from the Court an order presuming death before payment of compensation could be made. The matter was not brought to the Commissioner's notice until the 26th April, 1939, and the order of court was dated the 24th October, 1939. The widow had meanwhile changed her address and further delay was occasioned, so that she did not receive her compensation until the end of the year.

Sections 4 *and* 5.—The taking away of a workman's common law right to sue his employer for damages in respect of injuries sustained by accident arising out of and in the course of his employment and the substitution therefor of provision to sue for compensation under the Act, was dealt with fully in last year's report. It should be added that where additional compensation is claimed in terms of Section *five*, the application can only be proceeded with if, in the opinion of the Commissioner, it is supported by *prima facie* proof that the applicant is entitled to such additional compensation before the matter can be determined in court. The necessary *prima facie* proof must be furnished to the Commissioner by the applicant and it is not considered to be the duty or the function of the Commissioner to collect such proof. Cases have, however, occurred where no such proof was furnished in support of the application, and, in one instance, the Commissioner was asked to investigate the matter in terms of Section 18 (*a*) of the Act, and thus obtain the necessary proof which the applicant was unable to furnish. It must be made clear that the Commissioner cannot undertake the collection of evidence to build up an applicant's case. Apart from the impracticability of this course, it would be unfair to the respondent, as the Commissioner will not be able to act in an impartial and unbiassed manner if he identifies himself with the applicant's case to the extent of helping to build it up. The object in view in requiring the Commissioner's opinion as to the sufficiency of the *prima facie* proof supporting the application is to prevent applicants going to court with claims which are obviously futile and thus to obviate the incurring of needless expense.

Section 6.—This section defines the term " workman," but it must be read with the definition of " employment " in Section *eighty-four*. Questions frequently arise whether a given person is a workman entitled to the benefits of the Act. Thus the position of certain fishermen at Cape Town recently came under notice. It appeared that a boat-owner had engaged a person as skipper at a monthly wage, and this skipper was in the habit of hiring other persons to constitute the crew. These worked solely under the skipper's control and received a share of the catch as their only remuneration. The skipper is clearly a " workman " in the employ of the boat-owner, but in view of the definition of the word " seaman " in Section 12 (5) of the Act, the rest of the crew are not " workmen " in terms of the Act.

Section 7.—The various classes of persons who are dependants of a workman and entitled to claim compensation in the event of his death as the result of accident arising out of and in the course of his employment, are enumerated in this section. The widow, and children under the age of 16 years, of a workman are deemed to be dependent for their support and maintenance upon his earnings unless the contrary is proved, but other classes of dependants must prove that fact and the extent of their dependency. The term " widow " is given a special meaning in the case of Asiatics and Natives.

Procedure for Recovery of Compensation.

Section 13.—In order that compensation may be obtained, written notice of the accident to or death of a workman must be given as soon as reasonably possible after the happening of the accident, and the application for compensation must be made within six months after the accident or death, as the case may be. In the case of Native workmen, the procedure is different, for there the *employer* must forthwith notify the " officer " of the accident (*vide* Section 68 (3)]. Some limitation of the time within which actions may be brought was necessary, otherwise employers would be faced with stale claims which they would not be in a position to rebut. It generally happens that long delays occur between the time of the happening of the accident and the time the workman is ready to proceed with his application, and where the period of six months, within which the application may be brought, will expire before this can be done, the applicant is advised to obtain an extension of time from the respondent, and this is generally granted. The section also provides that failure to give notice of the accident, or to make the application within the period laid down shall not be a bar to the application if the employer is not prejudiced.

Section 15.—The Act appears to contemplate that the workman and the employer should, in the first place themselves endeavour to arrive at agreement in respect of a claim to compensation. An agreement, made in writing, may on application to the magistrate by either the workman or the employer, be made an order under the Act, provided it has first been referred to the Commissioner for his report. The Commissioner, after investigating the matter, reports that the agreement is, in his opinion, equitable or not, according to the circumstances.

Section 16.—It is again necessary to deal fully with this section, as some uncertainty still seems to exist in regard thereto. Thus in one case a workman reported that he had signed an agreement under protest; in another, an insurance company sought approval of an agreement on the ground that the workman was mentally backward, and several agreements were forwarded for approval where the district surgeon had certified that the workmen were *not* specially liable to meet with accidents to sustain serious injury.

The section is intended to meet cases of persons who, on account of old age or some physical infirmity, would find it difficult, if not impossible, to obtain work because their condition renders them specially liable to meet with accidents or to suffer serious injury if employed as workmen, and bearing in mind that compensation must be paid where accidents resulting in disablement have occurred. If a district surgeon has certified that such a person is, on account of his age or infirmity, specially liable to meet with an accident or to suffer serious injury, then the latter may agree with his employer that the employer shall pay less compensation than the amount ordinarily payable under the Act, but not less than one-half thereof. The object is to induce employers to give employment to aged or infirm workmen. It will be seen that these agreements are entirely voluntary, and that workmen cannot be compelled to enter into them against their will, although it is thought that many workmen do so for fear of losing their jobs.

The basis of all such agreements is a certificate by a district surgeon that on account of some physical disability, the workmen are specially liable to meet with accidents or to suffer serious injury, and no agreements are valid unless they have been approved by the Commissioner. All are carefully scrutinized in order to ensure that no injustice is done to any workman. Thus the compensation proposed in the agreement is frequently increased at the suggestion of the Commissioner, and where it is possible that the disability in respect whereof the district surgeon's certificate was given, may disappear in course of time, the agreement is approved for a limited period.

Further protection to workmen is afforded by the following clause, which is inserted in all agreements:—

> Provided that this agreement shall be of force and effect only when the old age or serious physical infirmity or previous injury mentioned in the district surgeon's certificate has caused or contributed to the accident or serious injury sustained by the workman and in respect of which the reduced compensation agreed upon is payable.

Thus if A. and B. are killed, say, by a fall of hanging in a mine, and B., who had lost an eye, had previously entered into an agreement to accept reduced compensation, their dependants would in each case receive full compensation in terms of the Act, as the loss of B.'s eye would have had nothing to do with the fall of rock.

Sometimes district surgeons refuse to give the necessary certificates, although to a layman there would seem to be ample justification for doing so. In one case, a district surgeon refused to give a certificate although the workman—a shift-boss—had lost two fingers of his right hand, and had been adjudged to be disabled to the extent of 30 per cent. The Commissioner was asked to bring pressure to bear upon the district surgeon to grant a certificate, but was unable to do so, as it was not a case where insufficient particulars of the infirmity had been supplied, but a matter for the exercise by the district surgeon of his discretion and one in which it was not competent for the Commissioner to intervene.

Many instances still occur in which insufficient information of infirmities is submitted by district surgeons. In such cases further correspondence becomes necessary before the fair limitation of the compensation payable can be determined, and employers and insurance companies submitting agreements for approval should ensure that full particulars are furnished in all cases. The form to be used, indicating the details required, was published under Government Notice No. 1514 of 1936 (*Government Gazette*, dated the 16th October, 1936).

The number of agreements in force at the end of the year 1938 was 3,122, the number added during the year being 627. Of the workmen who had signed agreements to accept reduced compensation, eighteen were reported to have met with accidents involving claims to compensation during the year.

Section 18.—One of the duties imposed upon the Commissioner by this section is to examine the settlements transmitted to him by insurance companies and employers and to bring into review before a magistrate any cases in respect of which the terms of settlement are not considered to be equitable. Since the Act came into force it has not been found necessary to bring any case into review.

At this stage it is convenient to point out that not only settlements in regard to claims for compensation, but all payments of compensation, no matter how small the amounts involved, are checked in the Commissioner's office. Returns containing full particulars of all payments made are furnished monthly to the Commissioner and from these the checking is done. Whenever an underpayment is discovered it is queried, with the result that an adjustment is usually effected immediately. Overpayments also occur and are similarly dealt with. The magnitude of this task will be appreciated when it is stated that the number of claims for payment of compensation and cost of medical aid dealt with was 57,662 in 1936, 85,580 in 1937, 100,374 in 1938, and 109,654 in 1939. It is necessary that a careful check be kept on all payments to ensure firstly that workmen receive the full amounts to which they are entitled under the Act, and secondly that deductions in respect of payments not properly falling within the Act, are not made from the refunds due to insured employers. The following illustration of the second point is interesting. An insurance company had correctly repudiated liability for the payment of compensation on the ground that the accident giving rise to the claim did not arise out of and in the course of the workman's employment. Nevertheless, the company offered to pay the sum of £100 in order to be rid of the matter. This amount was not based upon any of the provisions of the Act, but the Commissioner was asked to furnish a report in terms of Section 15 (2) of the Act. This could, of course, not be done, as the case did not come within the scope of the Act. *Ex gratia* payments and offers to pay where liability has been denied are dealt with later in this report under the heading "Insurance Rates."

Section 20.—Despite the fact that the Act came into operation as far back as the 1st July, 1935, considerable ignorance still prevails as to the procedure to be adopted to bring applications before the Court, and it is necessary to explain in detail the steps which should be taken. As has been stated above, under Section *fifteen*, the Act contemplates that the parties should, in the first place, themselves endeavour to arrive at agreement in regard to the compensation to be paid, and where they are unable to do so, and a dispute has arisen, it is laid down that such dispute must be referred to the Commissioner with a view to settlement by agreement or for his report, the object clearly being to avoid the cost of litigation whenever possible. The Commissioner then investigates the matter and assists the parties as far as possible in order that settlement by agreement may be arrived at. If the employer, as a result of the Commissioner's investigation, indicates clearly that he repudiates liability, no good purpose will be served by further negotiation, and a report is then issued to the effect that the dispute has been investigated and that no agreement has been arrived at. The applicant may then have his claim determined by the magistrate. In applications for further compensation in terms of Section *five*, a statement is included in the report to the effect that, in the Commissioner's opinion, there is *prima facie* evidence that the applicant is entitled to further compensation.

Unfortunately, claimants frequently engage lawyers without first referring the disputes to the Commissioner. In two such cases, proceedings were instituted without the Commissioner's report having first been obtained. Both applications were consequently dismissed with costs.

The case may here be mentioned of a workman who was refused compensation by his employer on the ground that the alleged disablement was not due to accident. The workman consulted an attorney, who addressed a letter of demand to the employer claiming the sum of £250. On the strength of this letter of demand the workman bought a motor-car although his wages were only £1. 5s. per week.

Section 32.—This section provides for the revision of orders or agreements for periodical payments of compensation, i.e. payments in respect of temporary disablement (*vide* Section *forty-seven*) and makes it obligatory for the workmen concerned to submit themselves for medical examination at reasonable intervals by medical practitioners named by their employers. Section *thirty-three* prescribes the penalties that follow upon refusal or neglect to submit to such medical examination, and lays down further that if a workman is awarded or receives compensation for permanent disablement in terms of Section *forty-eight*, his right to periodical payments in respect of temporary disablement shall *ipso facto* cease. The view is held that this does not mean that a workman who is temporarily disabled can be forced to accept compensation in respect of permanent disablement, where the extent of the latter is known, so as to deprive him of his right to periodical payments

whilst he is still in hospital or still unfit for work. Thus a right-handed workman who has lost his right hand at the wrist is permanently disabled to the extent of 42½ per cent., but he is also temporarily totally disabled until the stump has healed, and until that time he is entitled to periodical payments in terms of Section *forty-seven*. Yet, in one case a workman who had lost his hand, was offered compensation on the basis of his permanent disablement a few days after the accident occurred, with the object, apparently, of avoiding the periodical payments.

Section 34.—This section deals with the revision by a magistrate of compensation for permanent disablement in cases where the condition of the injured workmen has improved or deteriorated. Pension payments may be revised within a period of five years from the date they were awarded or agreed upon, and lump-sum payments within six months.

A workman who alleged that he was injured through being struck by lightning, received compensation by way of a monthly pension on the basis of 75 per cent. permanent disablement. He subsequently complained that his condition had gradually grown worse, and he desired that his pension payments should be based upon 100 per cent. permanent disablement. The insurance company concerned instituted inquiries and had the workman medically examined, with the result that it was found that the workman's condition was no longer due to the accident, but to natural causes. The company was, however, prepared to continue pension payments on 75 per cent. disablement. The workman was dissatisfied and sued the employer for increased pension payments. The insurance company counter-claimed for a cessation of the pension payments, and the magistrate gave judgment in favour of the insurance company and against the workman, who thus lost his pension altogether. On appeal to the Supreme Court, the magistrate's judgment was upheld.

The revision provided for by this section must be done by a magistrate, and employers or insurance companies cannot undertake this duty themselves. An insurance company stopped the pension payments to a workman on the ground that his condition no longer warranted the continuation of such payments. The workman complained to the Commissioner, who pointed out to the insurance company that it had exceeded its powers, and that the matter should have been referred to a magistrate for action. The pension payments were thereupon continued.

Section 35.—This section deals with cases where workmen unreasonably refuse or wilfully neglect to submit to medical or surgical treatment. Where death is caused, or if and so far as disablement is caused, continued or increased by such refusal or neglect, compensation is not payable. Cases have actually occurred where workmen have unreasonably refused to avail themselves of medical or surgical treatment offered by the employer, and have lost compensation in consequence. In one such case a workman, who had sustained a hernia, claimed compensation for 80 per cent. permanent partial disablement. His employer offered to pay for the cost of the necessary surgical treatment, but the workman refused to undergo the operation on the ground that he was not a suitable subject therefor. The employer repudiated liability for the payment of compensation, and the workman made an application to court, which was dismissed, the court holding that his refusal to undergo operative treatment was unreasonable as he could be operated upon under local anæsthetic without danger to life. It is, of course, difficult to say when refusal has been unreasonable or neglect wilful, and each case must be treated on its merits. Workmen suffering from herniæ have refused surgical treatment offered by the employers on the ground that they feared the operations. In one case the workman suffered from a serious chest complaint, and medical opinion was to the effect that it was dangerous for him to take the anæsthetic. In such a case refusal to undergo an operation cannot be said to be unreasonable.

Section 37.—This section gives rise to much difficulty, and it is necessary to deal fully with it. Briefly put, it empowers the Commissioner to control the payment of compensation where it amounts to more than £200 in the case of a major and £50 in the case of a minor, as well as all pension payments in respect of children of deceased workmen. No power is given for the control of pensions payable to workmen themselves. The Commissioner may, in his discretion and for reasons deemed by him to be sufficient, pay compensation money in lump sums or in instalments to the workmen themselves or to their dependants, or to or on behalf of persons dependent for their maintenance upon such workmen or dependants or he may invest such money or apply it from time to time in such manner as he may deem to the advantage of the beneficiaries. It goes without saying that careful and discreet inquiries must be made in all cases, either by the Commissioner or by inspectors of the Department of Labour, or through the good offices of magistrates, and only when the Commissioner is satisfied that the beneficiary is not a fit and

proper person to be paid the money in a lump sum is it dealt with otherwise. On the 31st December, 1939, the sum of £17,246 was under control on behalf of 120 persons. Of this sum, £15,500 was invested with the Public Debt Commissioners at 3 per cent. interest, the balance being kept available for immediate payments which require to be made. The advantage of this mode of investment lies in the fact that the money can be withdrawn at any time if required without the necessity of prior notice being given.

As stated in last year's report, practically all persons entitled to compensation desire to have their money in lump sums, and great dissatisfaction is frequently displayed if it is not so paid. The Commissioner is usually threatened with "further steps" if the money is not forthwith paid in full. Many subterfuges are resorted to in order to obtain lump-sum payments. A widow, who was reported to be unfit to manage her affairs, desired payment in full so that she could buy a motor-car to take the members of her family for drives. She then desired to start a dairy business, a tearoom and other ventures, which were all adversely reported upon. Finally, she required the money because she wished to remarry. In another case, a widow aged seventeen years, whose late husband earned less than £30 per month, owed money for a motor-car, a bedroom suite costing £95, and a radio set costing £62. 10s. She placed a tombstone costing £101 on her late husband's grave and then applied for the balance of the compensation money—about £200—in order to assist her to buy a house costing over £700, which she wished to let to her mother. In the end her debts were liquidated by the Commissioner, and she is being paid the balance of her money in monthly instalments. Another widow became entitled to £500 compensation. She asked for £95 for a tombstone for her late husband, £50 to enable her to take a holiday, and £20 to liquidate existing debts. She was persuaded to purchase a cheaper tombstone and eventually bought one for £33. Her own income, after her husband's death, was only £1. 5s. per week, and as it was reported that there were several friends interested in her money, the tombstone was paid for by the Commissioner, and the rest of her money is being paid to her in monthly instalments.

A workman died on the 15th December, 1938. His widow received a lump sum of £375, and a pension of £7. 13s. 7d. per month was paid to her in respect of four children. Up to the end of November, 1939, she had received in all the sum of £459, yet in December of that year she applied for an advance of £30 against the children's pension. A workman, whose money was being paid in instalments, resorted to various subterfuges in order to obtain the capital sum. On one occasion he asked for £45 for repairing his house. This sum was paid to him, but no repairs were made, the excuse being that the municipality had refused to allow the repairs to be carried out. On reference to the municipality, this statement was found to be false. It was reported that this workman was wasting his money in an unbelievable manner and had treated with contempt the sound advice given him by officers of the Department of Labour.

Parents frequently demand the compensation money due to their injured children under twenty-one years of age—sometimes for the purpose of taking a holiday, of liquidating their own debts, of sending other children to school, or for other purposes of their own, and do not seem to understand that the money belongs to the injured workmen and is intended to help them to face the future, frequently under great disadvantage. In many instances, reasoning and persuasion seem to have no effect whatever upon such parents, whose outlook is entirely selfish. Cases, too, are on record of widows lending substantial sums to relatives out of their compensation money without much prospect of repayment. The story can be continued, but enough has been said to prove the necessity for control being exercised. Where it is considered that the payee is a fit and proper person to have his money in a lump sum, payment is made forthwith, and, in fact, this is done in the large majority of cases. Where control appears to be necessary, however, it must be exercised, notwithstanding objections and threats, otherwise the money will, in many cases, be misspent, and the payees instead of reaping the benefits provided by the Act, will become a burden on the State, the very danger which the Act seeks to prevent. In this connection, the following extract from "The Effect of Workmen's Compensation Law as it stands at present on the Rehabilitation of the Injured Workman," by Donald Stewart, M.D., M.R.C.P., Edin.—Labour Management, February, 1939, is of interest:—

> In my own experience lump sums are frequently mismanaged by those who receive them, although this is not necessarily the experience of others. Small businesses are bought in the hope of good profits. Lack of ability may quickly convert the outlay into complete loss. Women often purchase expensive articles to which their imagination may have been attracted for years previously, for example, fur coats and wireless sets, and men become all too keen on a flutter. This misuse of lump sums appears to apply mainly

to young persons and to those who are emotionally unstable. The idea of suddenly acquiring a comparatively large sum of money fascinates to a degree, and judgment becomes warped. On the other hand, however, one often feels strongly in sympathy with them; under the same circumstances which of us would not feel tempted likewise? In many cases where a lump sum has been badly expended and wasted, and the degree of incapacity has been such that the man is unfit to earn a living wage, he eventually becomes relegated to the industrial scrap-heap, and along with the unemployable, presents the country with an acute social problem.

As was pointed out above, control is exercised over lump sums exceeding £200 in the case of majors and £50 in the case of minors, and it is felt that consideration should be given to the question of control over smaller sums. In May, 1939, a workman was paid £195. 2s. 9d., and in August of that year he was without employment and in arrear with his rent, which was only £3 per month. This case clearly indicates the necessity of control. In another case the widow of a workman became entitled to £187. 4s. As she had relatives living with her in absolute poverty, fears were expressed that her money would be spent in a very short time, but control could not be exercised as the amount payable did not exceed £200.

One of the conditions subject to which licences are issued to insurance companies under the Act is to the effect that the Companies must report to the Commissioner all cases in which the compensation payable exceeds £200 in the case of a major and £50 in the case of a minor, and must await the Commissioner's directions before making payment. Cases have occurred where the provisions of this condition were not observed, and companies are requested to ensure strict compliance therewith.

It is provided in sub-section (4) of Section *thirty-seven* that any unpaid balance of an award shall, on the death of a workman, not form part of his estate, but shall be paid to his dependants, and where no dependants exist, the Commissioner may, in his discretion, pay such balance or part thereof, to any creditor of the deceased workman's estate. It will be observed that the Act is silent as to cases where there are no dependants and no creditors. One such case actually occurred, and the proper disposal of the money caused considerable concern. It had become due and had been paid to the Commissioner, but the workman died before the full amount could be paid to him. The money was eventually paid into his estate, this being considered the best way out of the difficulty, the view being taken that the provision that such money shall not form part of the estate was intended to prevent creditors claiming it to the detriment of dependants. Where no dependants and no creditors existed, no harm could be done by paying it into the estate to the ultimate benefit of the heirs. The Act should be amended so as to provide for cases of this nature.

Sections 38 *and* 39.—Compensation money is not capable of being assigned or charged, and cannot be attached by the order of any court, nor does it form part of a deceased workman's estate. No claim can, therefore, be made upon it in respect of any debt due by the workman or his estate. It happens frequently that workmen own property which has not been paid for, and to prevent the attachment of such property, to the consequent detriment of the workman, the compensation money is paid out even in cases where, in the absence of such debts, payment in a lump sum would otherwise not have been made.

Section 45.—This section provides that where a contractor has undertaken to perform work for a principal, the workmen employed by the contractor, if not covered by a policy of insurance, shall be deemed to be the workmen of the principal, and if they should sustain disablement by injury through accident, the employer is liable to pay the compensation and cost of medical aid involved. Principals should, therefore, ensure that their contractors have obtained the necessary insurance cover, and this can conveniently be done by the insertion of a clause to that effect in the contract between them.

Amount of Compensation and Method of Calculation.

Sections 47, 48, *and* 49.—These sections refer to the calculation of compensation in non-native cases. They were fully dealt with in last year's report, but many questions put during the year have indicated that they are still not clearly understood, and further explanation is considered necessary.

A workman who is temporarily totally disabled is entitled, during such disablement, but only for a period not exceeding one year, to compensation at the rate of 60 per cent. of his monthly earnings up to £20 thereof, together with 35 per cent. of such earnings in excess of £20 up to £33. 6s. 8d. thereof. Workmen under the age of twenty-one and workmen who, although over that age, would be unable to maintain themselves and their dependants upon compensation calculated as above, may have their payments increased to the amount of their earnings or £6. 10s. per month, whichever may be the less. Although this increase is

permissive and not compulsory, the general practice is to pay the increased amount in every case. The compensation here referred to is payable periodically, but not at intervals of longer than a month, and is intended to tide workmen and their dependants over the period of the former's disablement. The largest amount to which a workman can become entitled under this section is £3. 16s. 11d. per week, representing compensation based upon maximum earnings of £400 per year, earnings above this sum being disregarded for the purpose of computing the periodical payments. Compensation in the case of temporary partial disablement is such portion of the periodical payments as may be agreed upon. If temporary total disablement continues for longer than twelve months, monthly payments are made equal to 50 per cent. of the monthly earnings up to £20, together with 25 per cent. of such earnings in excess of £20 up to £33. 6s. 8d. The most that a workman can then receive as compensation is £13. 6s. 8d. per month, which is also the biggest pension to which a workman can become entitled for 100 per cent. permanent disablement. No provision is made for the payment of compensation after the lapse of eighteen months after the date of the accident, should the workman still be temporarily totally disabled. So long as there is a prospect of the temporary disablement ceasing, i.e. of a cure being effected, compensation cannot be assessed in respect of permanent disablement, and cases have arisen of workmen becoming financially embarrassed in the circumstances described, especially when it is borne in mind that employers are not liable for the cost of medical aid incurred after the lapse of twelve months from the date of the accident. An amendment of the Act is necessary to meet cases of the nature referred to.

Sections 48 *and* 49.—These sections prescribe the compensation payable to workmen and the dependants of deceased workmen respectively. In last year's report reference was made to the fact that many persons were under the impression that the compensation in the case of serious disablement or death was a fixed sum of £750. Every effort has been made to dispel this impression and to make known, as far as possible, the provisions of the two sections here quoted. Recently a workman complained to the Minister that he had been permanently totally disabled and had only received £450, and that his demand for the balance of £300 had met with refusal. Investigations showed that the man was injured in 1929, when the Workmen's Compensation Act of 1914 was in force. The employer had agreed that the workman was permanently totally incapacitated, and had paid him the sum of £450, representing three years' wages. The 1914 Act prescribed that if the permanent incapacity be total, the compensation should be a sum not exceeding three years' wages at the rate of wages which the workman was earning at the time of the accident, or a sum not exceeding £750, *whichever might be the less*. As the workman's earnings at the time of the accident were £12. 10s. per month he had been paid the correct compensation, and this was carefully explained to him, but even then he persisted in his demand for the remaining £300 which he claimed to be due to him, and threatened to take "further steps" if the money was not paid. Compensation is in all cases calculated upon the degree of disablement suffered and upon the earnings of the workman at the time of the accident, but is not payable on earnings in excess of £33. 6s. 8d. per month. The compensation in respect of a workman earning £600 per year is thus calculated upon £33. 6s. 8d. per month. The widow of a workman may be entitled to an amount up to £500, if she has no children under sixteen years of age, and £375 if there are such children. Where, however, the children live to the age of sixteen, the total compensation paid frequently amounts to considerable sums. Thus, to quote a few examples from cases which occurred in the year under review, total amounts of £1,113, £1,111, and £1,480 respectively, are payable in respect of compensation and pensions. Provision is further made that the pension awarded in respect of a child may continue after it has reached the age of sixteen years, or that a similar pension to that of a child may be awarded in respect of any son or daughter, not being a child (defined in the Act as being under the age of sixteen) if such child, or son or daughter over the age of 16 years is unable, by reason of mental or physical disability, to earn an income, and such pension will continue for as long as it could reasonably have been expected that the deceased workman would have continued to contribute to his or her support.

A case occurred where a workman sustained a severe blow on the head, and medical opinion was to the effect that although apparently no bodily injury or disablement had resulted, the workman suffered from some neurotic condition, which, as one doctor said, was likely to be prolonged if settlement of his claim for compensation was not effected. There was apparently some disablement which could only be removed by payment of compensation. In the circumstances, no percentage of disablement, on which compensation could be based, could be assessed in terms of the Act, but one doctor suggested that the workman should be paid £150 and another suggested that the amount should be £200 to £300. The insurance company concerned agreed to pay the sum of £300 because the workman refused

to accept a smaller sum. It has been suggested that this case may create the dangerous precedent that workmen need only persuade themselves into the belief that they are disabled to enable them to obtain compensation, and this danger undoubtedly exists, but it will be considerably minimised if medical practitioners will, in all cases, act with scrupulous care and without favour. In the case quoted, there is no suggestion that the doctors concerned acted otherwise than according to their convictions, but £300 seems a large sum to pay in order to convince a workman that he is no longer disabled.

Another workman claimed from his employer, who had denied liability, the sum of £154 as compensation for disablement, together with payment of hospital expenses amounting to £100. The case was taken to Court, and the magistrate awarded as compensation the sum of £425. 19s. 6d., which was correct according to the provisions of the Act, and £100 for medical aid expenses. In addition, the employer was fined £4 for being uninsured.

In determining the degree of disablement suffered, the provisions of the First Schedule to the Act apply, and where the case is not covered by the Schedule, the disablement is assessed by a medical practitioner, usually the practitioner who has treated the case. If either the workman or the employer is dissatisfied with the assessment, the matter is further investigated and the opinion of an independent practitioner obtained. Where the workman's condition has deteriorated so that his disablement is greater than that upon which his compensation was assessed and paid, and such deterioration is due to the original accident, increased compensation is payable. Where the injury has particular consequences, as for example, where a violinist loses the fingers of a hand and he is unable, by reason of old age or otherwise to adapt himself to a new form of employment, the magistrate may, upon the application of the workman, adopt such higher percentage of disablement as he deems equitable. Where the workman was, at the time of the accident, under twenty-one years of age or was employed under a written contract of apprenticeship, the amount of compensation may, in the discretion of the magistrate, be increased to the amount which the workman would have been entitled to receive had his earnings been equal to the amount which he would probably have earned three years after the accident, had he not met therewith. In actual practice, compensation is in every case based on such higher wages, without the aid of magistrates being invoked. An insurance company desired to be informed whether compensation must be based on earnings three years after the accident in cases where the workmen do not return to their old employment, but undertake some new form of work. The answer is in the affirmative.

The provisions of the Act regarding the calculation of compensation payable do not cause difficulty, except in the case of partial dependants, whose compensation shall be *a sum proportionate to the extent of the dependency.* As stated in last year's report, this provision causes much difficulty, and has given rise to different interpretations and assessments, as it is almost impossible to determine the exact extent of dependency. Thus a farmer owning stock and hiring land upon which to farm claimed to be totally dependent upon the earnings of his son, who was killed by accident. In such cases the amount of compensation is usually arrived at by agreement between the parties, but great difficulty is often experienced before agreement is arrived at. Amendment of the section concerned is urgently necessary.

Section 50.—This section prescribes that the earnings of a workman must be computed in such manner as is best calculated to give the monthly rate at which he was remunerated at the time of the accident. It may seem a simple matter to determine a workman's monthly earnings, but this is not always the case. Workmen are paid by the month, week, day, or hour, are employed on time or piecework, enter into more than one contract of employment concurrently, and the number of hours per week varies in different occupations. Where a daily paid workman is employed six days per week, and meets with an accident causing disablement, the monthly earnings are computed by multiplying the daily wage by six to get the weekly wage, and multiplying the weekly wage by four and one third.

Section 51.—When the monthly pension to a workman does not exceed £3 the whole of it may be commuted into a lump-sum payment, by agreement between the workman and the employer, and where the pension exceeds £3 per month, 15 per cent. thereof may be so commuted. Commutations are calculated according to actuarial tables approved by the Commissioner, which take into account the ages of the workmen, and consequently their expectation of life. Workmen frequently desire commutation of pensions, and it is pointed out that this can only be done if their employers (or the latter's insurers) agree, and that the Commissioner has no power to intervene, except to ensure that the commutation is correctly calculated.

Section 52.—A workman whose permanent disablement is such that he cannot perform the essential functions of life without the constant help of another person, may apply to the magistrate to order the employer to pay an allowance towards the cost of such help, and this allowance is in addition to the compensation payable. In the following cases the workmen were permanently disabled to the extent of 100 per cent., and consequently became entitled to pensions in terms of Section 48 (1) (*d*) of the Act and in addition were awarded the undermentioned amounts respectively representing the cost of constant help :—

(*a*) £6. 10s. per month to a workman who had lost both arms ;

(*b*) £4. 4s. 0d. per week (or £18. 4s. per month) to a workman who is paralysed owing to a spinal injury ;

(*c*) £8 per month to a workman who is paralysed and has lost all sensation from the waist downwards, owing to a spinal injury.

Medical Aid.

Sections 53–59.—The arrangement under which the Medical Association of South Africa, through its various branch committees, assesses the fees payable to medical practitioners in cases of dispute, is still in force. Many cases are thus disposed of which would otherwise have to be referred to the Commissioner for assessment by the Department of Public Health, and the opportunity is here taken to acknowledge the services rendered by the Medical Association.

In last year's report, reference was made to a circular which was issued by the Medical Association to all medical practitioners with the object, *inter alia*, of obviating as far as possible disputes in regard to, and delays in, the settlement of accounts for medical aid furnished, and encouraging a better relationship between the medical profession and insurance companies, and generally of facilitating the application of the provisions of the Schedule containing the scale of fees and charges prescribed by the Minister in terms of Section *fifty-seven* of the Act. It is pleasing to report that the number of disputes during the year under review has shown a decrease, and that fewer complaints have been received by practitioners against insurance companies and *vice versa*. Complaints against the unreasonably large number of visits paid, which were so numerous in the past, have shown a considerable falling off. This is no doubt largely due to the fact that doctors have been requested to notify employers, or their insurers, when fifteen visits have been made in any one case and more are considered necessary. It is understood that, in assessing fees in respect of visits, the Medical Association disallows fees for visits in excess of fifteen, when the required notification has not been made, and that the Department of Public Health takes a similar line.

The case is here quoted of a doctor who treated a workman for burns. He made nine visits at 7s. 6d. each, and charged an additional sum of 7s. 6d. for medicines supplied on each occasion. The insurance company handling the case asked the doctor to give particulars of the medicines used, a perfectly legitimate question, but he refused to do so. The attitude adopted by this doctor is hardly calculated to promote the desired good feeling between insurance companies and the medical profession.

Specialists are sometimes asked to treat minor injuries, and the case is quoted where a specialist, who was on duty at a hospital at the time a patient who had sustained a minor injury was brought in, furnished the necessary treatment and charged the fee laid down for a specialist. This was obviously not the intention of the Schedule, and the specialist was paid according to the rate prescribed for a general practitioner. In the circular above referred to, the Medical Association requested specialists not to treat minor injuries in the first instance, although the free choice of doctor is implied in the Act. The view is, however, expressed that eye injuries may be treated by specialists in the first instance, a case having been mentioned where a workman, with such an injury, was treated by a general practitioner, with the result that serious consequences followed and long and expensive treatment by a specialist became necessary.

Accounts for physio-therapeutic treatment are frequently submitted for an expression of opinion as to whether payment should be made. In this respect, attention is drawn to Item 26 (*h*) of the schedule of fees and charges for medical aid, which reads as follows :—

> The fees prescribed herein in respect of treatment administered by a registered masseur, masseuse or hospital shall apply solely in those cases where the workman has been referred for such treatment by a medical practitioner.

It follows that no fees are payable where the treatment was given by an unregistered practitioner.

Difficulty is frequently experienced and many questions are asked in regard to the payment for drugs and dressings and other articles supplied by chemists to workmen. Item 29 of the Schedule lays down the circumstances in which medical practitioners may charge for drugs and dressings supplied by them. Where, therefore, drugs and dressings are used by a doctor in treating an injured workman, the cost thereof is included in the fee prescribed, subject to the provisions of Item 29 of the Schedule.

Instances have occurred where doctors have requested workmen to purchase certain articles from chemists for use by these doctors, presumably to avoid having to pay for the articles themselves. It is considered that this practice is not permissible, and where it is resorted to, the doctor himself should be debited with the cost. Where, however, a workman is able to dress his injuries in the absence of the doctor in accordance with the latter's instructions, the reasonable cost of the articles purchased for this purpose is a liability imposed upon the employer, in addition to any fee payable to the doctor.

It is again necessary to point out that the employer must defray the *reasonable* expenses incurred by a workman in respect of medical, surgical or hospital treatment, skilled nursing services and the supply and repair of artificial limbs and apparatus during a period of one year after the accident, but not exceeding in all the sum of one hundred pounds. It is recognized that medical aid costs must be kept within reasonable limits, but it is conceivable that hardship may be caused to workmen as the law now stands. If, for instance, a workman has seriously injured his leg and the doctors have tried for a long time, but unsuccessfully, to save it and in the end it has to be amputated more than a year after the accident happened, the employer cannot be compelled to pay the fee involved, nor to furnish the workman with an artificial limb. The workman will have to bear these costs himself, and this will be a hardship especially in view of the fact that he has had to manage on the reduced income received by way of compensation in terms of Section *forty-seven* of the Act.

A workman has free choice of doctor, except where the employer has made an arrangement, in terms of Section *fifty-nine*, for furnishing medical aid to his workmen injured by accident, yet it sometimes happens, especially in native cases, that employers tell hospitals to make use of the services of a particular doctor. Where the total cost of medical aid exceeds the sum for which the employer is liable and there is more than one creditor, the fairest way out of the difficulty is to apportion the sum available on a *pro rata* basis. Nevertheless, a certain Hospital Board insisted upon being paid in full for the hospital treatment of a patient, taking no account of the corresponding loss to the other creditors (doctors, chemists, etc.). On application to a magistrate, it was awarded an amount in excess of its *pro rata* share. The Medical Association expressed dissatisfaction with the preferential treatment given to the Hospital Board, but nothing could be done in the matter, as the apportionment had been made by the magistrate in terms of Section 55 (2).

A workman who was being treated by a doctor at the employer's expense, consulted two other doctors, each of whom rendered an account for the treatment furnished by him. The workman gave no reason for his action and had expressed no dissatisfaction with the first doctor. The employer could not be held liable for the fees of the other two doctors.

The question has more than once been asked whether expenses in respect of medical aid are payable in cases where no compensation is payable. The reason for this question lies in the wording of Section 55 (1), which reads as follows :—

> In addition to the compensation payable under this Act, the employer shall defray, during a period not exceeding one year from the date of the accident, the reasonable expenses incurred by a workman in respect of medical, surgical or hospital treatment, skilled nursing services and the supply and repair of artificial limbs and apparatus in connection with his injury, but not exceeding in all the sum of one hundred pounds.

There can be no doubt that medical aid expenses are not necessarily payable only in cases where compensation is also payable. Many employers pay an amount equal to full wages to injured workmen during the period of temporary total disablement, but it would be wrong to suggest that the cost of medical aid is not payable on that account. Moreover, medical aid should be furnished and paid for even where the injury is slight and the workman remains at work, because if not treated properly at the outset, the injury may easily have serious consequences. The view is held that payment of compensation is entirely separate and distinct from payment in respect of medical aid, and in this connection, it is pointed out that in the definition of the word " compensation " medical aid is expressly excluded.

An article recently appeared in the "S.A. Medical Journal," in which it was stated that owing to the objections raised by insurance companies to the large number of visits paid by doctors in some cases, there have been instances where, "to save bother and discussion, the practitioner has taken the short and easy way out of a difficulty by amputating a crushed finger or limb, whereby the insuring company has paid little for medical aid but much in lump-sum compensation." This is a surprising statement, to say the least, and the matter deserves the closest investigation. No cases of the nature referred to have been reported to the Commissioner either by workmen or by employers or the latter's insurers. *A propos* of the foregoing, it may be mentioned that the following statement appeared in an article entitled "Medical Aid under Workmen's Compensation" in the January, 1939, issue of the "Monthly Labor Review" of the United States Bureau of Labour Statistics :—

> Amputations are frequently made more with a view to minimizing the compensation benefits to be paid than to usefulness of the remaining part. For example, in the case of an injury to a foot requiring amputation, the surgeon makes a Chopart amputation, leaving an almost totally useless stump, but reducing the benefits to be paid.

The article referred to dealt with certain unethical practices on the part of a minority of the medical profession, and the extract quoted referred to methods adopted in certain cases by the doctors of insurance carriers to minimize the compensation payable by the latter.

Item 25 (*d*) of the schedule of fees and charges for medical aid above referred to provides that the charges for services for which no fees are prescribed and which are rendered by a nursing home or other institution, shall not exceed the fees chargeable in respect of a workman who is a patient in a general ward of the public hospital nearest to such nursing home or institution. In this connection, representations were received from certain nursing homes to the effect that the fees allowed, i.e. those charged by the nearest public hospital, did not make allowance for extras, and that nursing homes actually lost money on many workmen's compensation cases where expensive medicines and extras were prescribed. The suggestion was made that the hospital tariffs should be amended so as to provide for extras being charged in addition to the daily ward fees, and that theatre fees should be increased according to the magnitude of the operation. The Commissioner was requested to give consideration to these suggestions. It was pointed out to the nursing homes concerned that the questions raised were matters for the consideration of the Hospital Boards, and upon which the Commissioner could not express any opinion. Public hospitals, unlike nursing homes, do not function on a profit-making basis, and their fees and charges are, no doubt, framed with this consideration in view. Injured workmen may be treated in nursing homes instead of in hospitals should they so desire, but the charges to the employers must be in accordance with the provisions of item 25 (*d*) above quoted. Furthermore, in terms of Section *fifty-seven* of the Act, no claim for an amount in excess of a fee or charge in accordance with the scale prescribed by the Minister and contained in Schedule F to the regulations under the Act, lies against any workman or his employer. Therefore, if nursing homes accept workmen's compensation cases, they cannot charge more than the general ward fees prescribed for the nearest public hospital. Where the hospital makes a charge, in addition to the ward fee, for extras supplied, such charge may also be made by a nursing home.

In one case, the condition of a workman who was totally disabled was such that he required to be wheeled out of doors in a bath-chair in order to have the benefit of the sunshine, and the insurance company concerned enquired whether the cost of the bath-chair could be included in the term "medical aid" for which employers are responsible. The company was informed that the supply of a bath-chair could, in the circumstances, be regarded as part of the medical aid to which the workman was entitled, but that it would be justified in notifying the workman that the chair would remain the property of the company and could not be disposed of by the workman should he no longer require the use thereof.

The number of arrangements made by employers in terms of Section *fifty-nine*, for furnishing medical aid to their workmen injured by accident, and approved by the Commissioner, is fifty-eight.

Industrial Diseases.

Sections 60–66.—There have been no additions to or deletions from the list of diseases set out in the Second Schedule to the Act. Suggestions have been made that certain specified diseases should be included, but no statistics showing their incidence were furnished. Steps are being taken in order to ascertain whether these diseases are of sufficiently frequent occurrence to justify their inclusion in the Schedule. The inclusion of dermatitis has frequently been urged, and a recommendation for its inclusion in respect of certain occupations was made to the Minister. Many unforeseen difficulties have, however, arisen, and a committee has been set up to go fully into the matter and report to the Minister.

Compensation for Native Workmen.

Sections 67–73.—These sections deal with compensation payable to native workmen, and in case of conflict or inconsistency, prevail over any other provisions of the Act, but such other provisions as are not inconsistent with the provisions of the sections mentioned, also apply in relation to native workmen.

The principal differences between the provisions applying to native and those applying to non-native workmen are the following:—

(1) Non-native workmen who claim compensation are required to notify their employers of accidents causing disablement, whereas accidents to native workmen involving claims to compensation, must forthwith be reported by their employers to the "officers." Failure to report such accidents is an offence.

(2) In non-native cases, the extent of disablement is assessed according to the provisions of Section 48 (3), read with the First Schedule to the Act. Where the percentage of disablement cannot be fixed according to the Schedule, it is assessed by a medical practitioner. In native cases, the degree of disablement is determined by the "officer."

(3) Non-native workmen are entitled to compensation in respect of emporary total disablement, during the whole period of such disablement but not exceeding eighteen months in all. Native workmen are entitled to such compensation for a period of six months only.

(4) In non-native cases, the compensation money is, subject to the directions of the Commissioner—referred to above under Section *thirty-seven*—paid to the beneficiaries. In native cases, it must be paid to the "officer" to be paid by him to the beneficiaries.

(5) Where an injured native workman receives from his employer food, quarters and medical aid to the satisfaction of the "officer", he is not entitled to payment of compensation in respect of temporary total disablement during the first six weeks of such disablement, and in respect of any period thereafter he is entitled only to such compensation, not exceeding 25 per cent of his earnings, as the "officer" may award to him. There is no similar limitation in non-native cases.

(6) In non-native cases, pensions are payable where the disablement is above a certain percentage. No provision has been made for pensions in native cases.

(7) In non-native cases, the expenses incurred in respect of medical aid in any one case, are payable by the employer, but not exceeding in all the sum of £100. In native cases, the amount payable by the employer in respect of medical, surgical and hospital treatment, is limited to £25.

The "officer" referred to is an officer of the Department of Native Affairs, appointed by the Minister of Labour in respect of any area or areas for the purpose of assisting in the administration of the Act in native cases. Only one "officer" has been appointed, namely, the Director of Native Labour, Johannesburg. His jurisdiction includes the Witwatersrand and certain other specified areas. In any area in respect of which no "officer" has been appointed, the native commissioner, additional native commissioner or assistant native commissioner, and in the absence of such "officer" or commissioner, the magistrate performs the duties of the "officer."

"Officers" need not follow the provisions of the First Schedule to the Act in assessing compensation in respect of permanent disablement, although the Schedule forms a useful guide. Where a right-handed non-native workman has lost, say his right arm at the shoulder, the disablement suffered is fixed by the Act at 60 per cent., but in a native case, for a similar loss, the "officer" may fix the disablement at a higher figure than 60 per cent. The discretion allowed the "officer" is reasonable, as the vast majority of native workmen are unskilled manual labourers, who, after suffering the disablement described, cannot adapt themselves to any new form of employment and may, therefore, to all intents and purposes be regarded as totally disabled. There is, however, an unsatisfactory feature connected with the free exercise of the discretion allowed to "officers" and that is the lack of uniformity which is bound to ensue. The Department of Native Affairs is contemplating the issue of a circular for the guidance of "officers" under its control, which, it is hoped, will go far towards removing any differences which may result from varying decisions by different "officers."

Attention was drawn in last year's report to the hardship caused to the dependants of injured native workmen, especially those living in urban areas, during the first six weeks of the workman's disablement, where, owing to the fact that the workman himself is receiving food, quarters and medical aid during that period, no compensation is payable in respect thereof. The position is still the same, and further complaints have been received in regard thereto.

Section *seventy-two* lays down that where disablement has been caused by accident and the employer does not provide medical, surgical and hospital treatment free of expense to such workman during the period of disablement, the "officer" may award an allowance payable by the employer towards the reasonable cost of such treatment, not exceeding the sum of £25. It will be noticed that there is here no limitation of the time, as in non-native cases, during which the medical aid should be provided, but that the whole period of disablement is mentioned. The sum of £25 which the employer can be called upon to pay is obviously insufficient in cases of prolonged disablement, and doctors have expressed the view that, inasmuch as a native's body is similar to that of a non-native, it requires the same treatment. It is obvious that where a native is very seriously injured, the employer will not undertake to provide food, quarters and hospital treatment, the cost whereof may amount to a larger sum, but will prefer to pay the £25 which is the maximum sum that the "officer" can award against him. In such cases, any balance due is a loss to the hospital accommodating the case, and to the doctor treating it. In actual practice, many cases have occurred where the total medical aid costs were far in excess of £25.

The question was asked whether the cost of artificial limbs required by native workmen must also come out of the £25 which the "officer" may award. As the section of the Act which empowers the "officer" to award this sum refers only to medical, surgical and hospital treatment, and makes no mention of artificial limbs, and as artificial limbs cannot be said to be an unnecessary luxury for native workmen, it is considered that that portion of Section 55 (1) of the Act relating to artificial limbs, applies also to native workmen, and that employers of such workmen are liable for the reasonable cost of artificial limbs in addition to the amount payable in respect of medical treatment awarded by the "officer," but not exceeding in all the sum of £10 0.

A native workman was killed by accident in Johannesburg. His dependant, living in Mount Fletcher, was awarded £25 compensation by the "officer," but the employer, who was uninsured, took no steps to pay the sum assessed, and the only course left open to the dependant was to sue the employer. According to the provisions of Section 20 (1) of the Act, proceedings must be instituted in the court of the magistrate in whose district the accident occurred. The dependant was unable to meet the cost of coming to Johannesburg, and no proceedings were, therefore, instituted.

Insurance.

Section 74.—It must again be stated that many employers failed to obtain the necessary insurance policies, and many prosecutions were instituted during the year under review. As mentioned in last year's report, the light penalties imposed for failing to insure do not act as a warning to employers who break the law in order to save the insurance premiums. In several cases the offenders were merely reprimanded, and in many others, fines amounting to five and ten shillings were imposed, notwithstanding the fact that a fine not exceeding *five pounds* may be imposed *in respect of each uninsured workman employed.* The reason for the imposition of low fines is not appreciated, as the Act has now been in operation for five years, and its provisions in regard to compulsory insurance should, by this time, be well known and understood. The object of compulsory insurance is to ensure that the money is available when compensation or medical aid payment have to be made, otherwise injured workmen and the dependants of deceased workmen, who are often in straitened financial circumstances, lose the protection which the Act aims at giving them. Cases are on record where, through their employers being men of straw and uninsured, workmen were deprived of the compensation due to them. In one case where a workman had lost an eye, the employer was uninsured and was unable to pay the compensation. He was fined £3, but this did not benefit the unfortunate workman who lost not only his eye but also the compensation which, but for the employer's breach of the law, he would have received. In another case, an injured workman had recourse against his uninsured employer in court. He obtained judgment for £425. 19s. 6d. compensation and £100 medical aid expenses. The employer was fined £2 for being uninsured, and as he was a man of straw, the workman failed to recover on the judgment. It is, unfortunately, this class of employer whose workmen often meet with accidents because the proper steps towards preventing accidents are not taken. The imposition of heavier fines will do much towards remedying the position.

It is, however, pleasing to note that there are cases in which the seriousness of failure to insure has been realized. In one case the fine imposed was £7. 10s. and in another, tried by a special justice of the peace, the fine was £10. Yet another uninsured employer was fined £10 with the alternative of imprisonment for one month, sentence being suspended for a period pending the taking out of the necessary policy. The number of cases in which heavier fines have been imposed is small, but now that a beginning has been made, it is hoped that the example set will be generally followed.

The unfortunate wording of the opening sentence of Section *seventy-four* has resulted in two employers charged with failing to obtain insurance policies being found not guilty in 1939. There can be no doubt that the words "within three months after the commencement of this Act" mean simply that persons who were employers at the time the Act came into force were to be given three months within which to obtain the necessary policies. It could never have been the intention of the Legislature that only those persons who were employers between the 1st day of July and the last day of September, 1935, should be compelled to insure, for then the section in question would be ineffectual as regards a large and increasing number of employers, and would in time become altogether without effect. Yet the meaning resulting in the acquittal of the two employers referred to, was read into the section quoted and the Attorney-General of the Province concerned did not deem it advisable to take the matter on appeal to the Supreme Court. The deletion of the words "within three months" is, therefore, urgently necessary, otherwise the section may, in time, become a dead letter, and workmen will be robbed of the protection which the Act is intended to afford them.

There can be no doubt that some employers deliberately avoid taking out insurance policies, and considerable ingenuity is occasionally displayed in this direction. One employer, when summoned for contravening Section 74 (1), obtained a policy *on credit* from an insurance company. On the day of the hearing of the case, he produced it in court, no doubt with the object of a reduced fine in view. He was fined £1 and then returned the policy to the company saying he no longer needed it.

Policies purporting to have retrospective effect are still issued, although with the co-operation of the insurance companies, the practice is being curbed. The view is held that, where a prosecution is due to take place, say, in July, and the employer has been uninsured since January, the production of a cover note taken out in July and purporting to date back to January, cannot cover the period January to July. Yet several such cases have occurred. Companies have been requested not to issue such cover notes as they cannot excuse the employers, and merely hamper prosecutions.

Insurance companies continually report cases of non-insurance discovered by them, and reports of failing to insure are also made by the inspectorate of the Department of Labour, resulting in the institution of prosecutions. Notifications are also made of policies which have lapsed either through effluxion of time or on account of non-payment of premiums. In such cases, the employers concerned are immediately warned to take out fresh policies.

An insurer may cancel a policy on the ground of non-payment of premium, provided he has given seven clear days' notice to the insured employer and also to the Commissioner. In one case, a company issued a policy, but as the premium was not forthcoming, the policy was cancelled. Subsequently, and before the employer was reinsured, one of his workmen sustained injury by accident, resulting in medical aid fees amounting to £15 being incurred. The employer became personally liable for this sum.

It would almost seem as if some employers look upon the compulsory insurance provisions of the Act as unnecessary interference with the liberty of the subject. They certainly display an utter failure to realize the benefit of such insurance and the security it offers, not only to their workmen, but to themselves as well. This is true not only of the man of straw who does not stand to lose anything in any event, but also of some small employers who have property which can be attached if necessary. One employer—a butcher in a small town—was most indignant when informed of the necessity of taking out a policy, and desired to know why he was singled out for persecution when his fellow butchers, who were likewise uninsured. were not interfered with. He was asked to furnish the names of the uninsured butchers, but did not do so.

In order to remove a misconception, it is necessary to point out that employers are not called upon to insure their workmen, but must obtain policies for the full extent of their potential liability to all workmen employed by them. In other words, they insure against any possible payment of compensation or cost of medical aid, transport of injured workmen or allowance for constant attendance which they may be called upon to make. In several instances relatives of deceased workmen were under the impression that the workmen's lives had been insured for fixed sums of which they claimed payment. In one case several relatives claimed payment of shares of the "life insurance" which they thought was payable to them although they were not dependants of the deceased workman.

An insurance company requested the Commissioner to take steps to recover an outstanding premium. It is unnecessary to point out that the recovery of premiums is a matter entirely between insurer and insured, and not one in which it

is competent for the Commissioner to interfere. There is nothing to prevent companies from issuing policies on credit if they are prepared to take the risk of not being paid the premiums, but the Commissioner cannot be asked to collect the premiums.

Before leaving the subject of compulsory insurance, reference should be made to the fact that employers engaged in agriculture are liable to pay compensation and the other benefits to which workmen are entitled under the Act in case of injury to their workmen employed in connection with any engine driven or machine worked by mechanical power. Although the Act expressly exempts them from the necessity of insuring, they are, nevertheless, advised in their own interests to do so in order to escape possible heavy payments which they may be called upon to make. Motor lorries, to mention only one example, are machines worked by mechanical power, and accidents in connection with such vehicles are not infrequent. An ordinary wind-driven pump is also considered to be such a machine.

Exempted Employers.

The number of employers who have been exempted from the obligation of having to take out insurance policies in terms of Section 74 (1) remains nineteen, no fresh exemptions having been granted during the year.

Mutual Associations.

Section 75.—The following mutual associations have been licensed under the Act :—

(1) The Federated Employers' Mutual Assurance Co., Ltd.
(2) The Rand Mutual Assurance Co., Ltd.

Insurance Companies.

Section 75.—The following insurance companies have been licensed under the Act :—

(1) African Guarantee & Indemnity Co., Ltd.
(2) Alliance Assurance Co., Ltd.
(3) Atlas Assurance Co., Ltd.
(4) British America Assurance Company.
(5) The British Law Insurance Co., Ltd.
(6) The British Oak Insurance Co., Ltd.
(7) Caledonian Insurance Company.
(8) Car and General Insurance Corporation, Ltd.
(9) The Central Insurance Co., Ltd.
(10) The Century Insurance Co., Ltd.
(11) Chamber of Industries Mutual Insurance Co., Ltd.
(12) Commercial Union Assurance Co., Ltd.
(13) The Dominion Insurance Company of South Africa, Ltd.
(14) Eagle Star Insurance Co., Ltd.
(15) Economic Insurance Co., Ltd.
(16) The Employers' Liability Assurance Corporation, Ltd.
(17) The Essex & Suffolk Equitable Insurance Society, Ltd.
(18) The Federal Insurance Corporation of South Africa, Ltd.
(19) General Accident, Fire and Life Assurance Corporation, Ltd.
(20) Guardian Assurance Co., Ltd.
(21) Law Union and Rock Insurance Co., Ltd.
(22) The Liverpool and London and Globe Insurance Co., Ltd.
(23) The London and Lancashire Insurance Co., Ltd.
(24) London and Scottish Assurance Corporation, Ltd.
(25) The London Assurance.
(26) The London Guarantee and Accident Co., Ltd.
(27) The Motor Union Insurance Co., Ltd.
(28) National Employers' Mutual General Insurance Association, Ltd.
(29) The Netherlands Insurance Company (Est. 1845), Ltd.
(30) New India Assurance Co., Ltd. (of Bombay, India).
(31) New Zealand Insurance Co., Ltd.
(32) North British and Mercantile Insurance Co., Ltd.
(33) The Northern Assurance Co., Ltd.
(34) Norwich Union Fire Insurance Society, Ltd.
(35) The Ocean Accident and Guarantee Corporation, Ltd.
(36) Pearl Assurance Co., Ltd.
(37) Phœnix Assurance Co., Ltd.
(38) Provincial Insurance Co., Ltd.
(39) The Prudential Assurance Co., Ltd.
(40) Railway Passengers' Assurance Company.

(41) Royal Exchange Assurance.

(42) Royal Insurance Co., Ltd.

(43) Scottish Insurance Corporation, Ltd.

(44) Scottish Union and National Insurance Company.

(45) The Sea Insurance Co., Ltd.

(46) The South African Fire and Accident Insurance Co., Ltd.

(47) The South African Liberal Insurance Co., Ltd.

(48) The South British Insurance Co., Ltd.

(49) Southern Life Association of Africa.

(50) Suid-Afrikaanse Nasionale Trust en Assuransie Maatskappy, Beperk.

(51) Sun Insurance Office, Ltd.

(52) Union and National and General Assurance Company of South Africa, Ltd

(53) Union Assurance Society, Ltd.

(54) The Union Fire, Accident and General Insurance Co., Ltd., of Paris.

(55) Western Assurance Company.

(56) The World Auxiliary Insurance Corporation, Ltd.

(57) The Yorkshire Insurance Co., Ltd.

One company, the Aachen & Munich Fire Insurance Company, a German concern, ceased to be licensed at the end of the year 1939. During that year 54 of the insurance companies licensed under the Act were members of the Workmen's Compensation Insurers' Association of South Africa, and are referred to in this report as the tariff companies.

Insurance Rates.

Further reductions have occurred in insurance rates during the year, and it has been stated that the tariff companies are endeavouring to work to rates which will result in a refund to insured employers of approximately 7½ per cent. of premiums collected instead of the larger refunds previously made (25·19 per cent. in 1937 and 21·49 per cent. in 1938). This means that the total amount collected from employers will be smaller, resulting in a smaller sum to be refunded. The companies' action will very considerably reduce the amount of money belonging to insured employers, but held by the companies during the whole or part of the policy year. The minimum cost of issuing or renewing a policy has been reduced from 15s. to 10s., but where the rate per cent. exceeds this figure, such rate shall be the minimum premium unless otherwise specially provided. In certain instances increases have been made in the rates affecting industries which have shown bad claims records in order that those with good claims records should not be made to bear the cost of those with bad records. No complaints to the effect that insurance rates were too high were received during the year.

The method of remuneration of the insurance companies for undertaking the insurance of employers in terms of the Act was fully set out in last year's report. It is sufficient to remark here that, except in the case of two companies, high or low premium rates do not affect the amount retained by the companies, which all retain a fixed amount proportionate to the amount paid out in claims. The two companies referred to retain 25 per cent. of their premium income for themselves, and it follows that the more they receive in premium income, the bigger are the amounts retained by them. Their premium rates, are however, not higher than those charged by the other companies.

It was made clear in last year's report that all payments made by insurance companies are carefully checked in the Commissioner's office in order to ensure that only those payments which fall under the Act are included in the figures which determine the refund to be made to insured employers. *Ex gratia* payments and payments made on purely compassionate grounds where there is no liability under the Act, however laudable their object, cannot be passed because the cost of insurance to employers must be kept in view. It is again emphasized that *ex gratia* payments are not objected to, provided they are not made at the expense of the insured employers.

(*a*) *Tariff Companies.* REBATES.

The rebate to be allowed in respect of the year 1939 by the tariff companies is 24·62 per cent, and has been arrived at as follows :—

	£ s. d.	£ s. d.
1. *Premium Income*	641,727 4 9	
Less 1 per cent. Contribution to Revenue after deducting rebate	5,138 12 0	
		636,588 12 9
2. *Claims.*		
(*a*) Payments made during 1939	£319,469 19 10	
Less recoveries	526 3 6	
	£318,943 16 4	
(*b*) *Add* outstanding claims as at 31/12/39—		
(i) unpaid claims	£90,712 11 3	
(ii) capitalized value pensions	100,568 16 3	
	191,281 7 6	
	510,225 3 10	
(*c*) *Less* outstanding claims as at 31/12/38—		
(i) unpaid claims	£97,754 17 10	
(ii) capitalized value of pensions	84,355 8 3	
	182,110 6 1	
	£328,114 17 9	
3. *Expenses of administration allowed*—		
(i.e. 35/65ths of £328,114. 17s. 9d.)	176,677 5 0	
		504,792 2 9
4. Surplus		£131,796 10 0
5. *Rebate.*		
(*a*) Surplus for 1939		131,796 10 0
(*b*) On Account year 1937—		
(i) Surplus to have been refunded	£191,462 14 8	
(ii) *Less* amount to have been refunded by company no longer a member of tariff	8,512 18 3	
	£182,949 16 5	
(iii) *Less* 1937 rebates adjusted during—		
1938 £117,020 8 2		
1939 39,716 3 1		
	156,736 11 3	
		26,213 5 2
(*c*) Total amount of rebate in respect of the year 1939		£158,009 15 2

* £158,009. 15s. 2d. is 24·66 per cent. of £641,727. 4s. 9d.

* It should be noted that, in arriving at the rebate, the tariff companies deducted the 1 per cent. contribution to Revenue from the premium collections, ignored the interest (£22,421 0s. 7d.) earned on the reserves and did not take into account the reserves for unexpired risks as at the 31st December, 1938 and 31st December, 1939.

(*b*) *Non-Tariff Companies.*

(1) *Chamber of Industries Mutual Insurance Co., Ltd.*—This Company, which commenced operations on the 1st July, 1938, gave no undertaking as to the ratio it would maintain between claims and expenses of administration.

(2) *Dominion Insurance Company of South Africa, Ltd.*—This Company gave an undertaking to the effect that it would retain 25 per cent. of premium collections for expenses and pay the balance of 75 per cent. by way of claims and rebates.

During the year 1939 the claims paid and payable by this Company are more than 75 per cent. of its premium collections.

(3) *National Employers' Mutual General Insurance Association, Ltd.*—This Company gave the following undertaking :—

(*a*) It would work to a ratio of benefits to expenses of 65 : 35 based upon the collective experience of tariff companies.

(*b*) It would not charge rates in excess of those laid down by the tariff companies, but any reduction made by it in such rates would be regarded as rebates in advance.

Subject, therefore, to rebates given in advance, the rebates to be allowed by this Company in respect of the year 1939 is 24·62 per cent.

(4) *General Accident, Fire and Life Assurance Corporation, Ltd.*—This Company gave an undertaking to the effect that it would retain 35 per cent. of premiums collected and return the balance by way of claim payments and rebates, and that the rebates to be returned were to be calculated on the average experience of all companies.

On this basis the rebate in respect of the year 1939 to be made by this Company is 15·9 per cent.

(5) *Southern Life Association of Africa.*—This Association gave an undertaking that it would retain 20 per cent. of premium collections for expenses, 5 per cent. for the purpose of a special reserve and refund the balance of 75 per cent. by way of claim payments and rebates. The rebate allowed by the Association in respect of the year 1939 is 21·37 per cent.

The position of all licensed insurers taken over a period of four and a half years is as follows :—

	£	s.	d.
1. Premium collections	3,882,544	8	4
Less—			
(*a*) rebates allowed and due (estimated)	829,165	0	1
	£3,053,379	8	3
(*b*) reserve for unexpired risks as at 31/12/39	298,376	9	8
	£2,755,002	18	7
Add interest on deposits	88,870	7	10
Total premium and interest income for period of 4½ years ended 31/12/39	£2,843,873	6	5
2. *Claims.*			
(*a*) Payments to 31/12/39	£1,436,918	8	0
Less recoveries	2,296	4	10
	£1,434,622	3	2
(*b*) Unpaid claims as at 31/12/39	110,840	5	8
(*c*) Capitalized value of pensions payable as at 31/12/39	119,152	12	7
Total claims cost	£1,664,615	1	5
3. Amount retained by companies for expenses, taxes and profit	£1,179,258	5	0
4. Ratio of claims to expenses	58·5 : 41·5		

Exempted Employers.

[Section 74 (2) of Act.]

The following is the position in regard to exempted employers :—

	1/1/38 *to* 31/12/38.	1/1/39 *to* 31/12/39.
1. Number of exempted employers	19	19
2. Number of workmen employed—		
(*a*) Europeans	16,407	16,435
Asiatics	433	418
Coloureds	2,485	2,645
(*b*) Natives	19,413	19,133
Totals	38,738	38,631
	£	£
3. Annual wages	5,376,578	5,419,898

	1/7/35 *to* 31/12/38. (3½ *years.*)			1/1/39 *to* 31/12/39. (1 *year.*)			*Total for* 4½ *years.*		
	£	s.	d.	£	s.	d.	£	s.	d.
4. Premiums payable if insured with tariff companies	177,392	9	11	58,379	18	7	235,772	8	6
Less rebates	41,405	2	0	14,373	2	9	55,778	4	9
	£135,987	7	11	44,006	15	10	179,994	3	9
5. Interest on deposits	£10,705	8	11	3,602	12	7	14,308	1	6
6. (*a*) Compensation paid	£37,718	18	11	14,579	15	6	52,298	14	5
(*b*) Reserve for outstanding claims (including capitalized value of pensions)	—			6,490	5	0	6,490	5	0
	£37,718	18	11	21,070	0	6	58,788	19	5
7. Licence fees and contribution to Revenue of 1 per cent. on a premium payable calculated on the basis of being insured	1,755	9	2	425	5	4	2,180	14	6
8. Total expenditure	39,474	8	1	21,495	5	10	60,969	13	11

The cost of workmen's compensation for the four and a half years under review amounted to £60,969. 13s. 11d., compared with a net premium of £179,994. 3s. 9d., which would have been payable on insurance. The result is a considerable saving to exempted employers, some of whom pay full wages to their workmen whilst temporarily totally disabled.

Mutual Associations.

Two mutual associations were licensed during the year 1939. One of them, namely, the Federated Employers' Mutual Assurance Co., Ltd., is a member of the Workmen's Compensation Insurers' Association of South Africa and charges the same premium rates. Details of its premiums and claims have, therefore, been included with those of the tariff and non-tariff companies.

The other mutual association is the Rand Mutual Assurance Co., Ltd. Details of the claims paid by this association are reflected in Annexures I to VI attached to this Report, and the ratio of claims paid to expenses of administration is approximately 94 : 6.

LICENSED INSURERS

ANNEXURE I.

SUMMARY OF RETURNS (FORMS NO. 38) RENDERED BY INSURANCE COMPANIES LICENSED UNDER THE WORKMEN'S COMPENSATION ACT, 1934, SHOWING THE RESULT OF THEIR OPERATIONS FOR THE YEAR ENDED 31ST DECEMBER, 1939.

(NOTE.—E., A. and C.: European, Asiatic and Coloured Workmen.)

	£ s. d.	£ s. d.	£ s. d.
To Claims Paid.			
(*a*) Periodical payments to workmen—			
(1) E., A. and C. (Sec. 47)	99,550 19 7		
(2) Natives (Sec. 69)	14,236 5 11		
		113,787 5 6	
(*b*) Lump sum payments to workmen—			
(1) E., A. and C. (Sec. 48)	57,857 1 9		
(2) Natives (Sec. 70)	16,477 5 0		
		74,334 6 9	
(*c*) Lump sum payments to dependants—			
(1) E., A. and C. (Sec. 49)	16,827 12 9		
(2) Natives (Sec. 71)	9,062 11 7		
		25,890 4 4	
(*d*) Pensions—			
(1) E., A. and C. workmen (Sec. 48)	4,253 19 8		
(2) E., A. and C. children (Sec. 49)	4,541 15 7		
		8,795 15 3	
(*e*) Cost of medical aid—			
(1) E., A. and C. (Sec. 55)	120,100 6 9		
(2) Natives (Sec. 72)	52,090 5 2		
		172,190 11 11	
(*f*) Transport of injured workmen—			
(1) E., A. and C. (Sec. 54)	1,452 0 9		
(2) Natives (Sec. 54)	909 1 7		
		2,361 2 4	
(*g*) *Ex gratia* payments—			
(1) E., A. and C.	—		
(2) Natives	—		
		—	
(*h*) Increased awards—			
(1) E., A. and C. (Sec. 5)	200 0 0		
(2) Natives (Sec. 5)	—		
		200 0 0	
(*i*) Funeral expenses—			
(1) E., A. and C.	18 0 0		
(2) Natives	75 5 0		
		93 5 0	
(*j*) Constant attendance—			
(1) E., A. and C. (Sec. 52)	280 9 0		
(2) Natives (Sec. 52)	9 15 0		
		290 4 0	
(*k*) Sundries—			
(1) E., A. and C.	0 2 6		
(2) Natives	0 2 6		
		0 5 0	
			397,943 0 1
To Rebates—			
1935–36		678 14 1	
1937		44,359 4 1	
1938		92,040 11 6	
			137,078 9 8
To Expenses.			
(*a*) (1) Licence fees for 1939	585 0 0		
(2) 1 per cent. contribution to Revenue on premiums	6,237 14 4		
		6,822 14 4	
(*b*) Commission paid to agents	26,642 14 2		
(*c*) Expenses of administration	168,438 14 2		
(*d*) Legal and medical expenses	2,278 8 11		
(*e*) Assessors' fees	612 0 0		
(*f*) Sundries	1 18 6		
		197,973 15 9	
			204,796 10 1
To Employers' Liability Fund as at 31st December, 1939.			
(1) *Capitalized Value of Pensions.*			
(*a*) Workmen (80)	83,390 10 6		
(*b*) Children (368)	35,762 2 1		
		119,152 12 7	
(2) *Reserve for Outstanding Claims.*			
(*a*) Periodical payments to workmen—			
(1) E., A. & C. (Sec. 47) 25,925 1 7			
(2) Natives (Sec. 69) .. 4,968 10 3			
	30,893 11 10		
(*b*) Lump sum payments to workmen—			
(1) E., A. & C. (Sec. 48) 24,024 16 7			
(2) Natives (Sec. 70) .. 5,277 10 5			
	29,302 7 0		
(*c*) Lump sum payments to dependants—			
(1) E., A. & C. (Sec. 49) 5,590 2 8			
(2) Natives (Sec. 71) .. 3,391 5 2			
	8,981 7 10		
(*d*) Cost of medical aid—			
(1) E., A. & C. (Sec. 55) 28,526 0 3			
(2) Natives (Sec. 72) .. 12,580 9 2			
	41,106 9 5		
(*e*) Transport of injured workmen—			
(1) E., A. & C. (Sec. 54) 295 14 11			
(2) Natives (Sec. 54) .. 239 14 8			
	535 9 7		
Carried forward	£110,819 5 8	£119,152 12 7	£739,817 19 10

	£ s. d.	£ s. d.
By Employers' Liability Fund as at 1st January, 1939		593,784 1 11
By Premium Income.	£ s. d.	
(1) E.A. & C. £556,721 16 11		
(2) Natives. £204,128 12 1		
	760,850 9 0	
Add Interest	25,381 12 9	
		786,232 1 9
By Other Income (Recoveries from Third Parties)		764 2 1
By Balance		—
Carried forward		£1,380,780 5 9

ANNEXURE I. (contd).

	£ s. d.	£ s. d.	£ s. d.
Brought forward	110,819 5 8	119,152 12 7	739,817 19 10
(*f*) *Ex gratia* payments—			
(1) E., A. and C..... —			
(2) Natives..... —	—		
(*g*) Increased awards—			
(1) E., A. & C. (Sec. 5) —			
(2) Natives (Sec. 5)... —	—		
(*h*) Funeral expenses—			
(1) E., A. and C..... —			
(2) Natives..... 21 0 0	21 0 0		
(*i*) Sundries—			
(1) E., A. and C. —			
(2) Natives..... —	—	110,840 5 8	
		229,992 18 3	
(3) *Reserve for unexpired risks* (50 *per cent. of premiums*).....		£380,425 4 7	
			610,418 2 10
To Balance.....			30,544 3 1
			£1,380,780 5 9

Brought forward	£1,380,780 5 9
	£1,380,780 5 9

(1) The sum of £397,943. 0s. 1d. was paid in respect of injuries to 30,022 Europeans, Asiatics and Coloureds and 22,512 Natives, a total of 52,534 workmen.

(2) The sum of £110,840. 5s. 8d. is the outstanding claims cost in respect of 4,125 Europeans, Asiatics and Coloureds and 3,926 Natives, a total of 8,051 workmen.

ANNEXURE II.

SUMMARY OF ALL RETURNS (FORMS NO. 38) RENDERED BY THE INSURANCE COMPANIES TO DATE, I.E. IN RESPECT OF THE PERIOD 1ST JULY, 1935, WHEN THE ACT CAME INTO FORCE, TO 31ST DECEMBER, 1939, A PERIOD OF FOUR AND A HALF YEARS.

(NOTE—E., A. and C.=European, Asiatic and Coloured Workmen).

To Claims Paid.	£ s. d.	£ s. d.	£ s. d.
(*a*) Periodical payments to workmen—			
(1) E., A. and C. (Sec. 47)	368,888 19 1		
(2) Natives (Sec. 69)	51,233 11 6		
		420,122 10 7	
(*b*) Lump sum payments to workmen—			
(1) E., A. and C. (Sec. 48)	229,029 0 7		
(2) Natives	60,269 19 4		
		289,298 19 11	
(*c*) Lump sum payments to dependants—			
(1) E., A. and C. (Sec. 49)	69,947 10 1		
(2) Natives (Sec. 71)	37,670 3 7		
		107,617 13 8	
(*d*) Pensions—			
(1) E., A. and C. (Sec. 48), workmen	10,588 4 5		
(2) E., A. and C. (Sec. 49), children.	11,726 5 5		
		22,314 9 10	
(*e*) Cost of medical aid—			
(1) E., A. and C. (Sec. 55)	421,725 17 3		
(2) Natives (Sec. 72)	159,906 16 8		
		581,632 13 11	
(*f*) Transport of injured workmen—			
(1) E., A. and C. (Sec. 54)	4,852 7 10		
(2) Natives (Sec. 54)	2,183 9 9		
		7,035 17 7	
(*g*) *Ex gratia* payments—			
(1) E., A. and C.	2,588 8 0		
(2) Natives	220 14 9		
		2,809 2 9	
(*h*) Increased awards—			
(1) E., A. and C. (Sec. 5)	5,000 17 5		
(2) Natives (Sec. 5)	—		
		5,000 17 5	
(*i*) Funeral expenses—			
(1) E., A. and C.	294 12 6		
(2) Natives	203 11 6		
		498 4 0	
(*j*) Constant attendance—			
(1) E., A. and C. (Sec. 52)	467 15 0		
(2) Natives (Sec. 52)	37 0 0		
		504 15 0	
(*k*) Sundries—			
(1) E., A. and C.	83 0 10		
(2) Natives	0 2 6		
		83 3 4	
			1,436,918 8 0
To Rebates—			
1935–36		349,070 18 5	
1937		168,310 19 11	
1938		92,040 11 6	
			609,422 9 10
To Expenses.			
(*a*) (1) Licence fees	2,545 0 0		
(2) 1 per cent. contribution to Revenue on premiums	32,731 19 5		
		35,276 19 5	
(*b*) Commission paid to agents	138,271 0 2		
(*c*) Expenses of administration	835,362 2 2		
(*d*) Medical and legal expenses	8,619 10 11		
(*e*) Assessors' fees	4,570 6 11		
(*f*) Sundries	41 16 3		
		986,864 16 5	
			1,022,141 15 10
To Employers' Liability Fund as at 31st December, 1939.			
(1) *Capitalized value of pensions.*			
(*a*) Workmen (80)	83,390 10 6		
(*b*) Children (368)	35,762 2 1		
		119,152 12 7	
(2) *Reserve for outstanding claims.*			
(*a*) Periodical payments to workmen—			
(1) E., A. & C. (Sec. 47) £25,925 1 7			
(2) Natives (Sec. 69) 4,968 10 3			
	30,893 11 10		
(*b*) Lump sum payments to workmen—			
(1) E., A. & C. (Sec. 48) 24,024 16 7			
(2) Natives (Sec. 70) 5,277 10 5			
	29,302 7 0		
(*c*) Lump sum payments to dependants—			
(1) E., A. & C. (Sec. 49) 5,590 2 8			
(2) Natives (Sec. 71) 3,391 5 2			
	8,981 7 10		
(*d*) Cost of medical aid—			
(1) E., A. & C. (Sec. 55) 28,526 0 3			
(2) Natives (Sec. 72) 12,580 9 2			
	41,106 9 5		
Carried forward	£110,283 16 1	£119,152 12 7	£3,068,482 13 8

	£ s. d.	£ s. d.
By Premium Income—		
(1) E.A. and C.	2,909,341 11 11	
(2) Natives	973,202 16 5	
	3,882,544 8 4	
Add Interest	88,870 7 10	
		3,971,414 16 2
By Other Income (Recoveries from Third Parties)		2,296 4 10
Carried forward		£3,973,711 1 0

ANNEXURE II (contd).

		£	s.	d.	£	s.	d.	£	s.	d.		£	s.	d.
	Brought forward	110,283	16	1	119,152	12	7	3,068,482	13	8	*Brought forward*	£3,973,711	1	0
(*e*) Transport of injured workmen—														
(1) E., A. & C. (Sec. 54)	£295 14 11													
(2) Natives (Sec. 54)..	239 14 8													
		535	9	7										
(*f*) *Ex gratia* payments—														
(1) E. A. and C.....	—													
(2) Natives.....	—													
		—												
(*g*) Increased awards—														
(1) E., A. & C. (Sec. 5)	—													
(2) Natives (Sec. 5)...	—													
		—												
(*h*) Funeral expenses—														
(1) E., A. and C.....	—													
(2) Natives.....	21 0 0													
		21	0	0										
(*i*) Sundries—														
(1) E., A. and C.....	—													
(2) Natives.....	—													
		—												
					110,840	5	8							
					229,992	18	3							
(3) *Reserve for unexpired risks* (50% *of* 1939 *premiums*).....					380,425	4	7							
								610,418	2	10				
To Balance.....								294,810	4	6				
								3,973,711	1	0		£3,973,711	1	0

(1) The sum of £1,436,918. 8s. 0d. was paid in respect of injuries to 107,571 Europeans, Asiatics and Coloureds, and 68,511 Natives, a total of 176,082 workmen.

(2) The sum of £110,840. 5s. 8d. is the outstanding claims cost in respect of 4,125 Europeans, Asiatics and Coloureds, and 3,926 Natives, a total of 8,051 workmen.

	ments (including ys and Harbours).		Grand Total.		
	).	Total.	1935-38.	1939.	Total.
Number of workmen—					
Europeans	45	38,840	102,495	40,831	143,326
Asiatics	11	49	3,931	1,693	5,624
Coloureds	46	2,649	20,341	8,221	28,562
TOTAL	02	41,538	126,767	50,745	177,512
Married	46	25,690	72,822	29,465	102,287
Females	37	115	7,055	2,813	9,868
Fatal injuries	44	209	590	185	775
"A" Cla	72	13,110	40,402	20,372	60,774
	s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Earnings lost during temporary	8 5	298,888 12 1	1,176,048 8 9	450,715 18 3	1,626,764 7 0
Periodical payments per £100	19 0	58 16 0	51 16 0	52 19 0	52 2 0
Periodical payments (Sec. 47)	18 4	175,754 7 3	578,649 11 4	226,302 4 5	804,951 15 9¶
Cost of medical aid	6 5	22,796 19 10	489,574 19 4	194,798 4 9	684,373 4 1
Transport	19 3	421 11 11	3,747 2 4	1,656 17 8	5,404 0 0
Lump sums paid to workmen f					
disablement	18 6	32,654 8 7	324,161 18 6	121,130 15 2	445,292 13 8
Pensions paid to workmen	12 4	4,713 2 11	10,399 14 2	8,093 15 11	18,493 10 1
Compensation paid to dependa					
(1) Excluding children's p	2 8	46,868 3 6	138,655 18 0	48,054 14 6	186,710 12 6
(2) Children's pensions	18 4	11,443 6 6	22,494 1 1	14,552 16 10	37,046 17 11
Ex gratia payments	17 2	1,463 13 3	83,407 3 7	40,802 5 4	124,209 8 11
Increased awards		—	4,800 17 5	200 0 0	5,000 17 5
Funeral expenses	0 0	27 10 0	297 2 6	25 0 0	322 2 6
Sundries		8 14 8	101 7 8	1 3 6	102 11 2
Constant attendance		—	187 6 0	280 9 0	467 15 0
TOTAL	13 0	296,151 18 5	1,656,477 1 11	655,898 7 1	2,312,375 9 0

(I)—Actual Payments—European, Asiatic and Coloured Workmen.

	Licensed Insurers.			Mutual Associations.			Exempted Employers.			Government Departments (including South African Railways and Harbours).			Grand Total.		
	1935–38.	1939.	Total.	1935–38.	1939.	Total.	1935–38.	1939.	Total.	1935–38.	1939.	Total.	1935–38.	1939.	Total.
Number of workmen—															
Europeans	56,380	20,982	77,362	17,935	6,718	24,653	1,785	686	2,471	26,395	12,445	38,840	102,495	40,831	143,326
Asiatics	3,853	1,656	5,509	13	1	14	27	25	52	38	11	49	3,931	1,693	5,624
Coloureds	17,316	7,384	24,700	138	35	173	784	256	1,040	2,103	546	2,649	20,341	8,221	28,562
Total	77,549	30,022	107,571	18,086	6,754	24,840	2,596	967	3,563	28,536	13,002	41,538	126,767	50,745	177,512
Married	41,443	16,497	57,940	11,856	4,386	16,242	1,779	636	2,415	17,744	7,946	25,690	72,822	29,465	102,287
Females	6,870	2,734	9,604	4	—	4	103	42	145	78	37	115	7,055	2,813	9,868
Fatal injuries	266	83	349	147	56	203	12	2	14	165	44	209	590	185	775
"A" Claims *	28,359	13,367	41,726	2,304	1,925	4,229	1,201	508	1,709	8,538	4,572	13,110	40,402	20,372	60,774
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Earnings lost during temporary disablement	548,680 12 9	198,163 8 6	746,844 1 3	405,318 1 1	149,620 14 7	554,938 15 8	17,953 11 3	8,139 6 9	26,092 18 0	204,096 3 8	94,792 8 5	298,888 12 1	1,176,048 8 9	450,715 18 3	1,626,764 7 0
Periodical payments per £100 of wages lost	49 2 0	50 5 0	49 8 0	52 5 0	51 4 0	52 0 0	61 16 0	56 17 0	60 5 0	57 16 0	60 19 0	58 16 0	51 16 0	52 19 0	52 2 0
Periodical payments (Sec. 47)	269,337 19 6	99,550 19 7	368,888 19 1	180,933 13 5	64,411 12 3	245,345 5 8†	10,416 9 6	4,546 14 3	14,963 3 9‡	117,961 8 11	57,792 18 4	175,754 7 3	578,649 11 4	226,302 4 5	804,951 15 9¶
Cost of medical aid	301,625 10 6	120,100 6 9	421,725 17 3	162,944 12 8	64,183 1 9	227,127 14 5	8,698 2 9	4,024 9 10	12,722 12 7	16,306 13 5	6,490 6 5	22,796 19 10	489,574 19 4	194,798 4 9	684,373 4 1
Transport	3,400 7 1	1,452 0 9	4,852 7 10	—	—	—	61 2 7	68 17 8	130 0 3	285 12 8	135 19 3	421 11 11	3,747 2 4	1,656 17 8	5,404 0 0
Lump sums paid to workmen for permanent disablement	171,171 18 10	57,857 1 9	229,029 0 7	126,727 7 6	50,476 15 4	177,204 2 10	4,589 2 1	1,815 19 7	6,405 1 8	21,673 10 1	10,980 18 6	32,654 8 7	324,161 18 6	121,130 15 2	445,292 13 8
Pensions paid to workmen	6,334 4 9	4,253 19 8	10,588 4 5	1,302 6 4	1,708 17 6	3,011 3 10	102 12 6	78 6 5	180 18 11	2,660 10 7	2,052 12 4	4,713 2 11	10,399 14 2	8,093 15 11	18,493 10 1
Compensation paid to dependants—															
(1) Excluding children's pensions	53,119 17 4	16,827 12 9	69,947 10 1	46,054 11 9	20,550 19 1	66,605 10 10	2,914 8 1	375 0 0	3,289 8 1§	36,567 0 10	10,301 2 8	46,868 3 6	138,655 18 0	48,054 14 6	186,710 12 6
(2) Children's pensions	7,184 9 10	4,541 15 7	11,726 5 5	8,037 16 4	5,350 5 2	13,388 1 6	274 6 9	214 17 9	489 4 6	6,997 8 2	4,445 18 4	11,443 6 6	22,494 1 1	14,552 16 10	37,046 17 11
Ex gratia payments	2,588 8 0	—	2,588 8 0	78,399 15 6	39,902 1 8	118,301 17 2	1,611 4 0	244 6 6	1,855 10 6	807 16 1	655 17 2	1,463 13 3	83,407 3 7	40,802 5 4	124,209 8 11
Increased awards	4,800 17 5	200 0 0	5,000 17 5	—	—	—	—	—	—	—	—	—	4,800 17 5	200 0 0	5,000 17 5
Funeral expenses	276 12 6	18 0 0	294 12 6	—	—	—	—	—	—	20 10 0	7 0 0	27 10 0	297 2 6	25 0 0	322 2 6
Sundries	82 18 4	0 2 6	83 0 10	—	—	—	9 14 8	1 1 0	10 15 8	8 14 8	—	8 14 8	101 7 8	1 3 6	102 11 2
Constant attendance	187 6 0	280 9 0	467 15 0	—	—	—	—	—	—	—	—	—	187 6 0	280 9 0	467 15 0
Total £	820,110 10 1	305,082 8 4	1,125,192 18 5	604,400 3 6	246,583 12 9	850,983 16 3	28,677 2 11	11,369 13 0	40,046 15 11	203,289 5 5	92,862 13 0	296,151 18 5	1,656,477 1 11	655,898 7 1	2,312,375 9 0

* These are claims which have figured more than once in the various returns before the final payments were made.
† To this figure must be added an amount of £43,112. 3s. 6d., being periodical payments made *ex gratia*.
‡ To this figure must be added an amount of £758 15 0. being periodical payments made *ex gratia*.
§ To this figure must be added an amount of £933. 10s. 1d., being lump-sum payments made *ex gratia* to dependants.
¶ To this figure must be added an amount of £43,870. 18s. 6d., being periodical yayments made *ex gratia*.

	tments (including ays and Harbours).			Grand Total.		
	39.	Total.		1935–38.	1939.	Total.
Number of workmen	402	5,352		77,025	33,624	110,649
Number of fatal injuries	43	148		3,048	935	3,983
"A" Claims	220	651		12,186	6,123	18,309
	s. d.	£	s. d.	£ s. d.	£ s. d.	£ s. d.
	0 2	—		—	—	—
Earnings lost during temporary	13 0	—		—	—	—
Periodical payments per £100 o	7 10	6,254	2 2	51,174 13 8	18,906 0 8	70,080 14 4
Compensation for temporary di	2 0	4,149	1 11	184,001 11 0	84,088 7 11	268,089 18 11
Cost of medical aid	5 6	51	13 5	1,314 12 11	930 0 1	2,244 13 0
Transport of injured workmen.						
Lump sums paid to workmen fo	6 6	6,618	3 4	174,092 3 2	63,039 1 5	237,131 4 7
disablement	18 0	6,339	15 8	125,466 10 10	39,466 10 5	164,933 1 3
Lump sums paid to dependant	12 7	8	18 0	2,136 16 7	912 17 5	3,049 14 0
Ex gratia payments	13 0	8	15 2	133 16 8	92 19 0	226 15 8
Funeral expenses	—	—		27 5 0	10 5 0	37 10 0
Constant attendance	—	—		—	0 2 6	0 2 6
Sundries						
TOTAL	5 5	23,430	9 8	538,347 9 10	207,446 4 5	745,793 14 3

	tments (including ays and Harbours).			Grand Total.		
	39.	Total.		1935–38.	1939.	Total.
All workmen	404	46,890		203,792	84,369	288,161
Fatal injuries	87	357		3,638	1,120	4,758
"A" Claims	792	13,761		52,588	26,495	79,083
	18 5	319,582	8 1	2,194,824 11 9	863,344 11 6	3,058,169 3 3
TOTAL						

Grand Total.

£	s.	d.
164,884	9	7
110,554	18	1
275,439	7	8

ANNEXURE III. (*continued*).

(II)—ACTUAL PAYMENTS—NATIVE WORKMEN.

	Licensed Insurers.			Mutual Associations.			Exempted Employers.			Government Departments (including South African Railways and Harbours).			Grand Total.		
	1935–38.	1939.	Total.	1935–38.	1939.	Total.	1935–38.	1939.	Total.	1935–38.	1939.	Total.	1935–38.	1939.	Total.
Number of workmen	45,999	22,512	68,511	24,928	9,112	34,040	2,148	598	2,746	3,950	1,402	5,352	77,025	33,624	110,649
Number of fatal injuries	704	205	909	2,195	682	2,877	44	5	49	105	43	148	3,048	935	3,983
"A" Claims	11,473	5,829	17,302	63	17	80	219	57	276	431	220	651	12,186	6,123	18,309
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Earnings lost during temporary disablement	—	32,576 10 8	—	—	—	—	—	1,173 12 1	—	—	3,897 0 2	—	—	—	—
Periodical payments per £100 of wages lost	—	43 14 0	—	—	—	—	—	40 10 0	—	—	38 13 0	—	—	—	—
Compensation for temporary disablement	36,997 5 7	14,236 5 11	51,233 11 6	7,886 10 8	2,808 0 10	10,694 11 6	1,504 3 1	394 6 1	1,898 9 2‖	4,786 14 4	1,467 7 10	6,254 2 2	51,174 13 8	18,906 0 8	70,080 14 4
Cost of medical aid	107,816 11 6	52,090 5 2	159,906 16 8	69,177 3 10	28,670 12 10	97,847 16 8	4,256 15 9	1,929 7 11	6,186 3 8	2,750 19 11	1,398 2 0	4,149 1 11	184,001 11 0	84,088 7 11	268,089 18 11
Transport of injured workmen	1,274 8 2	909 1 7	2,183 9 9	—	—	—	6 16 10	2 13 0	9 9 10	33 7 11	18 5 6	51 13 5	1,314 12 11	930 0 1	2,244 13 0
Lump sums paid to workmen for permanent disablement	43,792 14 4	16,477 5 0	60,269 19 4	124,618 0 8	44,236 16 3	168,854 16 11	1,093 11 4	294 13 8	1,388 5 0	4,587 16 10	2,030 6 6	6,618 3 4	174,092 3 2	63,039 1 5	237,131 4 7
Lump sums paid to dependants	28,607 12 0	9,062 11 7	37,670 3 7	90,259 14 9	28,064 11 1	118,324 5 10	2,104 6 5	494 9 9	2,598 16 2	4,494 17 8	1,844 18 0	6,339 15 8	125,466 10 10	39,466 10 5	164,933 1 3
Ex gratia payments	220 14 9	—	220 14 9	1,834 1 10	830 3 9	2,664 5 7	74 14 7	81 1 1	155 15 8	7 5 5	1 12 7	8 18 0	2,136 16 7	912 17 5	3,049 14 0
Funeral expenses	128 6 6	75 5 0	203 11 6	—	—	—	1 8 0	13 1 0	14 9 0	4 2 2	4 13 0	8 15 2	133 16 8	92 19 0	226 15 8
Constant attendance	27 5 0	9 15 0	37 0 0	—	—	—	—	0 10 0	0 10 0	—	—	—	27 5 0	10 5 0	37 10 0
Sundries	—	0 2 6	0 2 6	—	—	—	—	—	—	—	—	—	—	0 2 6	0 2 6
TOTAL.....£	218,864 17 10	92,860 11 9	311,725 9 7	293,775 11 9	104,610 4 9	398,385 16 6	9,041 16 0	3,210 2 6	12,251 18 6	16,665 4 3	6,765 5 5	23,430 9 8	538,347 9 10	207,446 4 5	745,793 14 3

‖ To this figure must be added an amount of £246. 6s. 6d., being periodical payments made *ex gratis*.

(III)—ALL WORKMEN.

	Licensed Insurers.			Mutual Associations.			Exempted Employers.			Government Departments (including South African Railways and Harbours).			Grand Total.		
	1935–38.	1939.	Total.	1935–38.	1939.	Total.	1935–38.	1939.	Total.	1935–38.	1939.	Total.	1935–38.	1939.	Total.
All workmen	123,548	52,534	176,082	43,014	15,866	58,880	4,744	1,565	6,309	32,486	14,404	46,890	203,792	84,369	288,161
Fatal injuries	970	288	1,258	2,342	738	3,080	56	7	63	270	87	357	3,638	1,120	4,758
"A" Claims	39,832	19,196	59,028	2,367	1,942	4,309	1,420	565	1,985	8,969	4,792	13,761	52,588	26,495	79,083
TOTAL PAYMENTS...£	1,038,975 7 11	397,943 0 1	1,436,918 8 0	898,175 15 3	351,193 17 6	1,249,369 12 9	37,718 18 11	14,579 15 6	52,298 14 5	219,954 9 8	99,627 18 5	319,582 8 1	2,194,824 11 9	863,344 11 6	3,058,169 3 3

PENSIONERS AS AT 31ST DECEMBER, 1939.

	Licensed Insurers.		Mutual Associations.		Exempted Employers.		Government Departments (including South African Railways and Harbours).		Grand Total.	
		£ s. d.		£ s. d.		£ s. d.		£ s. d.		£ s. d.
(1) Workmen	80	83,390 10 6	35	45,075 7 6	3	2,781 13 8	44	33,636 17 11	162	164,884 9 7
(2) Children	368	35,762 2 1	240	42,540 7 5	8	1,293 11 5	320	30,958 17 2	936	110,554 18 1
TOTALS	448	119,152 12 7	275	87,615 14 11	11	4,075 5 1	364	64,595 15 1	1,098	275,439 7 8

ANNEXURE IV.

A.—ESTIMATED NUMBER OF ACCIDENTS; AND B.—ESTIMATED COST OF COMPENSATION: EUROPEAN, ASIATIC AND COLOURED WORKMEN.

A.—Estimated Number of Accidents.

	Revised Estimate of Accidents to Workmen Covered by Insurance Through Licensed Insurers during 1938.	Estimated Number of Accidents during 1939.				
		Licensed Insurers.	Mutual Associations.	Exempted Employers.	Government Departments (including S.A.R. & H.).	Total.
Number of workmen—						
Europeans	19,747					
Asiatics	1,459					
Coloureds	6,488					
Total	27,694	28,000	6,821	940	13,150	48,911
Married	15,195					
Females	2,562					
Fatal injuries	91	93	47	2	51	193

B.—Estimated Cost of Compensation.

	Revised Estimate of Cost of Compensation Paid and Payable by Licensed Insurers in respect of Accidents arising during 1938.	Estimated Cost of Compensation Payable in respect of Accidents arising during 1939.				
		Licensed Insurers.	Mutual Associations.	Exempted Employers.	Government Departments (including South African Railways and Harbours).	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Wages lost during temporary disablement	209,674 8 6	—	—	—	—	—
Periodical payments per £100 of wages lost	46 2 0	—	—	—	—	—
Periodical payments	96,652 19 3	97,403 11 1	67,845 1 3	4,166 1 2	56,935 16 7	226,350 10 1
Cost of medical aid	111,050 17 6	120,578 13 9	64,300 0 0	3,880 17 10	7,291 1 7	196,050 13 2
Cost of transport	1,402 13 8	1,470 7 2	—	6 5 3	155 18 7	1,632 11 0
Lump sums paid to workmen for permanent disablement	59,309 8 6	57,428 12 3	56,627 15 10	1,661 15 8	5,920 9 4	121,638 13 1
Pensions—injured workmen.	15,969 18 1	21,676 19 7	14,259 8 9	1,963 19 5	8,207 1 4	46,107 9 1
Lump sums to dependants..	19,907 4 11	15,876 3 6	15,965 11 7	750 0 0	11,541 9 6	44,133 4 7
Children's pensions	13,998 9 7	11,520 17 5	8,609 3 5	566 0 10	8,049 2 8	28,745 4 4
Ex gratia payments	61 9 1	—	35,517 2 0	243 1 7	673 5 0	36,433 8 7
Increased awards (Sec. 5)...	200 0 0	—	—	—	—	—
Funeral expenses	97 14 6	18 0 0	—	—	—	18 0 0
Sundries	6 14 0	0 2 6	—	1 1 0	—	1 3 6
Total.....£	318,657 9 1	325,973 7 3	263,124 2 10	13,239 2 9	98,774 4 7	701,110 17 5
Compensation paid to dependants per fatal accident	373 0 0	301 0 0	546 0 0	608 0 0	384 0 0	477 0 0
Compensation and medical aid per accident	11 10 0	11 13 0	38 12 0	14 1 0	7 10 0	14 7 0
Compensation only per non-fatal accident	6 5 0	6 7 0	23 8 0	8 11 0	5 10 0	8 10 0
Pensioners—						
Workmen	18	18	10	1	7	36
Children	110	110	55	3	84	272

ANNEXURE V.

A.—ESTIMATED NUMBER OF ACCIDENTS; AND B.—ESTIMATED COST OF COMPENSATION: NATIVE WORKMEN.

A.—Estimated Number of Accidents.

	Revised Estimate of Accidents to Workmen Covered by Insurance Through Licensed Insurers during 1938.	Estimated Number of Accidents during 1939.				
		Licensed Insurers.	Mutual Associations.	Exempted Employers.	Government Departments, (including S.A.R. & H.).	Total.
Number of workmen.....	20,416	21,845	9,137	545	1,454	32,981
Fatal injuries.....	220	196	664	18	36	914

B.—Estimated Cost of Compensation.

	Revised Estimate of Cost of Compensation Paid and Payable by Licensed Insurers in respect of Accidents arising during 1938.	Estimated Cost of Compensation Payable in respect of Accidents arising during 1939.				
		Licensed Insurers.	Mutual Associations.	Exempted Employers.	Government Departments (including South African Railways and Harbours).	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Wages lost during temporary disablement.....	30,602 18 11	—	—	—	—	—
Periodical payments per £100 of wages lost.....	43 4 0	—	—	—	—	—
Periodical payments.....	13,220 17 9	14,094 18 4	2,152 3 10	330 1 7	1,486 14 3	18,063 18 0
Cost of medical aid.....	45,984 7 7	52,530 8 10	28,700 0 0	1,830 13 8	1,545 12 2	84,606 14 8
Cost of transport.....	797 14 7	766 19 7	—	1 14 0	23 11 0	792 4 7
Lump sums to workmen for permanent disablement....	16,843 11 0	16,491 15 1	43,642 3 8	209 11 10	1,570 19 7	61,914 10 2
Lump sums paid to dependants.....	9,022 9 6	8,987 10 3	27,638 15 7	794 9 9	1,512 9 0	38,933 4 7
Ex gratia payments.....	24 0 3	—	716 13 11	81 1 1	1 12 7	799 7 7
Funeral expenses.....	78 6 6	71 15 0	—	8 16 0	4 13 0	85 4 0
Sundries.....	10 10 0	1 12 6	—	0 10 0	—	2 2 6
TOTAL.....£	85,981 17 2	92,944 19 7	102,849 17 0	3,256 17 11	6,145 11 7	205,197 6 1
Compensation paid to dependants per fatal accident....	41 0 0	46 0 0	42 1 0	44 1 0	42 0 0	42 18 0
Compensation and medical aid per accident.	4 4 0	4 5 0	11 5 0	6 0 0	4 5 0	6 4 0
Compensation only per non-fatal accident.....	1 10 0	1 8 0	5 8 0	1 4 0	2 3 0	2 10 0

A.—ESTIMATED NUMBER OF ACCIDENTS; AND B.—ESTIMATED COST OF COMPENSATION: ALL WORKMEN.

A.—Estimated Number of Accidents.

	Revised Estimate of Accidents to Workmen Covered by Insurance Through Licensed Insurers during 1938.	Estimated Number of Accidents during 1939.				
		Licensed Insurers.	Mutual Associations.	Exempted Employers.	Government Departments (including S.A.R. & H.).	Total.
Number of workmen.....	48,110	49,845	15,958	1,485	14,604	81,892
Fatal injuries.....	311	289	711	20	87	1,107

B.—Estimated Cost of Compensation.

	Revised Estimate of Cost of Compensation Paid and Payable by Licensed Insurers in respect of Accidents arising during 1937.	Estimated Cost of Compensation Payable in respect of Accidents arising during 1938.				
		Licensed Insurers.	Mutual Associations.	Exempted Employers.	Government Departments (including South African Railways and Harbours).	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Wages lost during temporary disablement.....	240,277 7 5	—	—	—	—	—
Periodical payments per £100 of wages lost.....	45 14 0	—	—	—	—	—
Periodical payments.....	109,873 17 0	111,498 9 5	69,997 5 1	4,496 2 9	58,422 10 10	244,414 8 1
Cost of medical aid.....	157,035 5 1	173,109 2 7	93,000 0 0	5,711 11 6	8,836 13 9	280,657 7 10
Cost of transport.....	2,200 8 3	2,237 6 9	—	7 19 3	179 9 7	2,424 15 7
Lump sums paid to workmen for permanent disablement	76,152 19 6	73,920 7 4	100,269 19 6	1,871 7 6	7,491 8 11	183,553 3 3
Pensions—injured workmen..	15,969 18 1	21,676 19 7	14,259 8 9	1,963 19 5	8,207 1 4	46,107 9 1
Lump sums to dependants..	28,929 14 5	24,863 13 9	43,604 7 2	1,544 9 9	13,053 18 6	83,066 9 2
Pensions—children.....	13,998 9 7	11,520 17 5	8,609 3 5	566 0 10	8,049 2 8	28,745 4 4
Ex gratia payments.....	85 9 4	—	36,233 15 11	324 2 8	674 17 7	37,232 16 2
Increased awards (Sec. 5)...	200 0 0	—	—	—	—	—
Funeral expenses.....	176 1 0	89 15 0	—	8 16 0	4 13 0	103 4 0
Sundries.....	17 4 0	1 15 0	—	1 11 0	—	3 6 0
TOTAL.....£	404,639 6 3	418,918 6 10	365,973 19 10	16,496 0 8	104,919 16 2	906,308 3 6
Compensation paid to dependants per fatal accident.....	138 13 0	126 0 0	75 8 0	105 10 0	242 13 0	101 14 0
Compensation and medical aid per accident.....	8 8 0	8 8 0	22 19 0	11 2 0	7 4 0	11 1 0
Compensation only per non-fatal accident.....	4 1 0	4 4 0	13 8 0	5 18 0	5 3 0	6 3 0

Pretoria, June, 1940.

CHAPTER IV.

INTERNATIONAL LABOUR ORGANIZATION.

[For a general description of the Organization, see the Annual Report of the Department of Labour for the year ending December, 1932 (U.G. 37-33)].

TWENTY-FIFTH SESSION OF THE CONFERENCE.

The Twenty-fifth Session of the Conference was held at Geneva from the 8th to the 28th June, 1939, the following being the main items on the agenda :—

I. Technical and Vocational Education and Apprenticeship. (*Final discussion*).

II. Regulation of Contracts of Employment of Indigenous Workers. (*Final discussion.*)

III. Recruiting, Placing and Conditions of Labour (Equality of Treatment) of Migrant Workers. (*Final discussion.*)

IV. Regulation of Hours of Work and Rest Periods of Professional Drivers (and their Assistants) of Vehicles Engaged in Road Transport. (*Final discussion.*)

V. Generalisation of the Reduction of Hours of Work in Industry, Commerce and Offices. (*Final discussion.*)

VI. Reduction of Hours of Work in Coal Mines. (*Final discussion.*)

In addition, the following matters were placed before the Conference :—

(1) Annual Report of the Director of the International Labour Office.

(2) Summary of the Annual Reports by Members on the measures taken to give effect to the provisions of Conventions to which they are parties.

(3) Matters connected with the procedure of the Conference and its Committees.

Delegation.—The delegation appointed to represent the Union was as follows :—

Representing the Government—

Delegates..... Mr. W. D. Norval, Under-Secretary for Labour.
Mr. B. W. Martin, Director of Native Labour and Chief Native Commissioner for the Witwatersrand.

Adviser..... Mr. H. T. Andrews, Accredited Representative of the Union of South Africa to the League of Nations.

Representing the Employers—

Delegate..... Mr. J. P. Harding, Technical Adviser, Transvaal Chamber of Mines.

Representing the Employees—

Delegate..... Mr. A. J. Downes, General Secretary-Organiser, S.A. Typographical Union.

Report of the Leader of the Delegation.

The Leader of the Delegation, Mr. W. D. Norval, reported, *inter alia*, as follows :—

Dr. Edmond Schulthess, Federal Councillor and Chief of the Economic Department of the Swiss Government, was elected President of the Conference, while Mr. J. G. Winant, who assumed the functions of Director of the International Labour Office, *vice* Mr. Harold Butler, upon his resignation in January of this year, acted for the first time as Secretary-General of the Conference.

It was a matter of particular satisfaction and general encouragement that despite the difficult days through which the world is passing as a result of the political conflict in Europe and elsewhere, the attendance at the Conference was almost as large as it has ever been. There were representatives of no less than 47 State members, with a total complement of over 350 persons. Of these, 86 were Government delegates, 34 each Employers' and Workers' delegates and approximately 200 advisers attached to the various groups.

This year's Conference was a very important one not only on account of the nature of the problems dealt with, but because the above-mentioned items, having been discussed at previous sessions of the Conference, were all placed on the Agenda for final consideration. The fact that all items, with the exception of No. V, " Generalisation of reduction of hours " and No. VI " Hours of Work on Coal Mines," which were postponed for future consideration, were satisfactorily disposed of, is indicative of the confident spirit in which Conference members approached the problems, notwithstanding the prevailing world situation.

The Government members of the Union delegation were accorded representation on *three* committees, and the work was divided as follows :—

Technical Education and Apprenticeship.....	Mr. W. D. Norval.
Regulation of Contracts of Employment of Indigenous Labour.....	Mr. B. W. Martin.
Hours of Work in Coal Mines.....	Mr. H. T. Andrews.

Items on the Agenda.

First Item: *Technical Education and Apprenticeship.*—This subject was covered in two separate Draft Recommendations prepared by the Office and referred to a Committee consisting of 24 Government Members, 16 Employers' Members and 16 Workers' Members. The First Recommendation, which deals with technical and vocational training prescribes certain principles for the guidance of Governments in connection with the training and assistance of workers to meet the requirements of skilled trades. These principles cover a very wide field such as location and number of training schools, entrance qualifications, curricula, examinations, transportation to schools, selection of teachers, etc.

The Second Recommendation, which covers apprenticeship, lays down general principles such as educational qualifications and age for admission, and other prerequisites to apprenticeship such as medical examination, the duties of employers and supervision by the State.

In this connection it is of interest to record that I had the honour of being elected Chairman of the Committee.

Both these Recommendations as amended in Committee were adopted without dissentients when the final vote of the Conference was taken ; only a few employers' members abstained.

Second Item: *Regulation of Contracts of Employment.*—Draft Conventions and Recommendations prepared by the International Labour Office embracing the following items were referred to a committee appointed for the purpose of dealing with this subject :—

I. *Convention* for the regulation of contracts of employment of indigenous workers.
II. *Recommendation* concerning the maximum length of written contracts of employment of indigenous workers.
III. *Convention* for the abolition of penal sanctions for breaches of contracts of employment by indigenous workers ; and
IV. *Recommendation* concerning labour inspectorates for indigenous workers.

When presented to the plenary session of the Conference for final voting, all the above items were carried by a substantial majority. The Government delegates of the Union abstained from voting in the case of I and II, voted against item III and in favour of item IV.

Mr. B. W. Martin, Director of Native Labour and Chief Native Commissioner for the Witwatersrand, represented the Union delegation on this Committee.

Third Item: *Recruiting and Placing Conditions of Labour* (*Equality of Treatment of Migrant Workers*).—In its reply to a questionnaire dealing with this subject, the Government of the Union of South Africa stated :—

" that the only regulated migration on any considerable scale in South Africa is the importation of native labour from Portuguese East Africa and other neighbouring territories for the gold mining industry. This migration is subject to very strict Government control, and in so far as Portuguese East Africa is concerned, is subject to a treaty between the Governments affected. Further, as these native workers are covered by a special convention, viz. : No. 50 concerning the Recruiting of Indigenous Workers, they presumably do not fall within the scope of this questionnaire. Spontaneous migration, on the other hand, is controlled under the Aliens Act, 1937, save in the case of Birtish subjects, whose entry into the country is not subject to the same restrictions as operate in the case of aliens. In view of the above, and as

South Africa has not experienced any necessity for international regulations so far as its own migration problems are concerned, the Union Government does not consider a Draft Convention necessary. It would not, however, oppose such a convention in principle if other State members considered international regulation is called for."

Acting on this reply and after explaining to the Conference the attitude adopted by the Union Government in this matter, both Mr. Martin and I voted in favour of the Convention. In addressing the Conference I emphasized the fact that my vote cast in favour of the Convention should not be regarded as an indication that my Government was likely to ratify this Convention; on the contrary, it would be precluded from doing so by virtue of the fact that the problems envisaged do not exist in South Africa.

FOURTH ITEM: *Regulation of Hours of Work—Professional Drivers.*—Here again in its reply to the relevant questionnaire the Government intimated that it could not ratify a convention which prescribed specific conditions for the regulation of hours of work and rest periods of *all* professional drivers of vehicles engaged in road transport; nor would a provision permitting the competent authority to exempt classes of persons or areas meet the difficulty of regulating employment of this nature in the Union with its concentration of population at comparatively few centres widely scattered in sparsely populated areas, and that apart from other considerations, effective enforcement of such conditions would be well-nigh impossible.

In view of this reply and the fact that the Government delegates and adviser were fully occupied on other work, no particular interest was taken in the work of this committee, and when the final vote was taken we abstained.

FIFTH ITEM: *Hours of Work in Commerce and Industries.*—This item came before the Plenary Session of the Conference instead of being referred to a committee for examination in accordance with the usual procedure, the reason being a resolution submitted by the Government delegates of France, the United States of America, Belgium, Denmark and Norway requesting that the matter should be postponed.

Many speakers, including Government, Employers' and Workers' Members, took part in the discussions and there was almost complete unanimity among them regarding the advisability of postponement.

The resolution which was placed before the Conference and carried with an overwhelming majority, there being only two dissentients, reads as follows:—

> "Recognising that many Governments would find it difficult to assume an international obligation in this respect at a time when economic activity and the development and enforcement of social legislation are gravely affected by the prevailing political insecurity, as a result of which a large number of countries have found themselves obliged to carry out extensive programmes of armament and national defence;
>
> Decides, in these exceptional circumstances, not to proceed at the present Session with the examination of the generalisation of the reduction of hours of work in industry, commerce and offices, although the question will be kept before the International Labour Organisation; and
>
> Invites the Governing Body to place this question on the agenda of a later Session of the Conference as soon as such action is warranted by an improvement in the international situation."

SIXTH ITEM: *Hours of Work on Coal Mines.*—In its reply to the Director of the International Labour Office the Union Government stated, *inter alia*, that—

> "for the Union to reply categorically in detail to the seventy-eight questions contained in the questionnaire would tend to be misleading and possibly irrelevant from the international point of view, as the replies would necessarily be based on local conditions, which differ markedly from those in European countries",

and added that a meeting of the various interested organisations and Departments of State was being called to consider what action could be taken in the Union and that it was hoped that it would be possible to provide the South African delegation to the Conference with particulars regarding the result of the proposed meeting.

In this connection I may state that two meetings of the interested parties have been held, but time did not permit of final conclusions being reached before the departure of the delegation.

The Committee dealing with this subject unanimously adopted a resolution not to proceed at the 25th Session of the Conference with the examination of the reduction of hours of work on coal mines. The arguments used were the same as those put forward in the case of "Generalisation of Hours of Work in Commerce and Industries" and the Governing Body was also requested to place this question on the agenda of an early Session of the Conference as soon as such action is warranted by an improvement in the international situation.

Report of the Director.—The first Report of the new Director of the International Labour Office, Mr. John G. Winant, marked the conclusion of 20 years of the existence of the Organisation. The Report deals with a number of important social and economic subjects and contains a general review of the work which the International Labour Organisation has done during the time of its existence. The Director claims, in conclusion, that it has succeeded in furthering steady social progress through a period in which it has had to contend both with the results of economic depressions and with international difficulties.

With regard to the future of the Organisation, the Director paints a somewhat gloomy picture, and in his foreword touches briefly upon the question of what it may become in a world so different from anything which could have been foreseen in 1919. It is pointed out that as a result of the withdrawal of a number of countries it has already been found necessary to effect a reduction in the office staff while, on the other hand, just as the world economic crisis caused the International Labour Office to expand its activities to meet the demands made upon it, so the necessary readjustments following the present international political crisis would call not for a contraction of activities, but for an increasing effort and greater energy.

The Report, the record of the discussions which followed and the Director's reply, are all documents well worth studying.

Unfortunately, owing to my election as Chairman of the Committee on Technical Education and Apprenticeship, I was unable this year to participate in the debate even as a listener. All committee work was, however, suspended to enable those serving on committees to listen to the Director's reply.

Resolutions.—Resolutions dealing with the following subjects were submitted to the Conference and disposed of in the manner indicated in each case :—

(1) Mr. Kuypers, Netherlands Workers' delegate, introduced a resolution requesting the Director at the next Session to give an opportunity of undertaking a general discussion and exchange of experiences on the methods followed in the various countries in order to encourage the development of the activities of the International Labour Organisation in a national sphere.

On the recommendation of the Resolutions Committee the Conference decided to request the Governing Body to consider the practicability of combining the discussion of this question with that of the Director's Report.

(2) Two separate resolutions were submitted by Messrs. Kuypers and Jouhaux, Workers' delegates of the Netherlands and France, respectively, dealing with equal remuneration for men and women and equality of women in every sphere of industrial and public life.

On the suggestion of the Resolutions Committee and with the concurrence of the movers these resolutions were eventually merged and adopted by the Conference, the text reading as follows :—

"The Conference recognises the importance of the principle of equality of pay and asks that the International Labour Office should complete its inquiry into present practice as quickly as possible, so as to enable the Governing Body to draw its conclusions."

(3) A draft resolution submitted by the delegation of Venezuela calling on the Governing Body to consider the desirability of placing on the agenda of one of the next Sessions of the Conference a question concerning special courts for the enforcement of labour legislation and the functioning of such courts in a speedy and adequate manner, was also adopted.

A unique departure from the customary Conference procedure resulted from a proposal made by Mr. Leggett, Leader of the British Delegation, which was endorsed by the Governing Body, to the effect that an opportunity should be given to members of the Conference to meet together in order to give and obtain information on various social questions of particular interest to their respective countries.

One afternoon was devoted to this purpose, and the meeting took place under the chairmanship of Mr. Leggett himself. The first speaker raised the question of the basis on which minimum wages could best be fixed, that is to say, whether it should be on the basis of areas or industries or on a national basis. The question proved to be of such profound interest to all concerned that there was no time to exchange views on any other subject.

Credentials.—As a result of the controversy over the nomination of Mr. Abrahams as Workers' delegate and the decision of the Government not to appoint advisers to the Employers' and Workers' delegates, the Cape Federation of Labour Unions lodged an objection to the credentials of Mr. A. J. Downes as delegate.

As first Government delegate I was accordingly called upon to reply to the objection. Subsequently I was requested to appear before the Credentials Committee in order to elucidate certain points on which that Committee required further information.

The final report of the Credentials Committee in which it stated that Mr. Downes's nomination as delegate was regular, was accepted by the Conference without discussion.

Allocation of Elected Government Seats on the Governing Body.—Out of the 57 countries now members of the International Labour Office, 8 have secured permanent seats on the Governing Body by virtue of the fact that they are considered countries of primary industrial inportance. The remaining 49 countries have, therefore, to secure seats by means of an election which takes place every three years. It so happens, in the circumstances, that those countries which are in a position to canvass properly and which have the greatest measure of influence (e.g. Spain and Poland) have continued as members of the Governing Body without interruption, while many of those countries which, during the twenty years of the existence of the Organisation, have not yet secured seats on that body, naturally harbour a certain amount of disappointment and resentment.

The Governing Body has on several occasions had this matter under consideration and various alternative schemes have been examined without reaching finality. Advantage was taken of the opportunity provided by the Conference, and Government representatives were asked to go into the question and to let the Governing Body have the benefit of their views. A number of alternative suggestions were discussed at a meeting of Government delegates. A scheme, put forward by Sir Firozkhan Noon, Leader of the Indian Delegation, and which was generally favourably received by members at the meeting, is one which I consider the Government of the Union should welcome. In this scheme it was suggested that the Governing Body and the Conference should frame a rule to the following effect :—

(*a*) "That the eight elected Government representatives on the Governing Body shall hold office for three years, at the expiry of which they shall be ineligible for re-election so long as every other Government, having the right to seek election, has not been offered an opportunity to seek membership or declined it" and as regards deputy members :—

(*b*) "That should a Government fail to appoint a deputy member within three months of their possessing the right to do so, the Government Group of the Governing Body may fill the vacancy. The term of office of each deputy member shall be three years unless the Government making the appointment or on whose behalf the appointment was made terminate it earlier."

The deputy members shall belong to States other than those which are members, elected or permanent, of the Governing Body, and no Government shall seek appointment as deputy member unless all the other entitled States have similarly held that office or declined.

No Government shall hold an elected membership and a deputy membership at one and the same period.

If such an arrangement were found to be feasible, it is felt that a great deal of the existing dissatisfaction would disappear since all State members would then have an equal opportunity of being represented on the Governing Body.

Conclusion.—Having dealt with all the more important matters arising out of the work of the Conference, I may be permitted to pay tribute to the spirit of goodwill that prevailed amongst members of the Union Delegation throughout the duration of the Conference, and to express my personal appreciation to all members of the delegation for their willing co-operation. The thanks of the whole delegation are due to Mr. H. T. Andrews, Accredited Representative of the Union of South Africa to the League of Nations, who not only placed his valuable experience at their disposal, but also his office and his home.

Draft Conventions and Recommendations.

As reported by the Leader of the Delegation, four Draft Conventions and ten Recommendations were adopted by the Conference at its Twenty-fifth Session. Of these, the Union Government has so far found itself able to adopt formally one Recommendation only, namely, that dealing with Apprenticeship (No. 60).

Draft Convention (No. 64) concerning the Regulation of Written Contracts of Employment of Indigenous Workers.—The term "indigenous worker" corresponds with the designation "Native" in the Union.

As its title implies, the Draft Convention lays down certain requirements in connection with contracts of employment of Native workers. These requirements make provision, *inter alia*, for a contract to be in writing where it is for a period of six months or over; a certain measure of control by the State; compulsory medical examination except in the case of certain agricultural workers and in certain cases of workers employed in the vicinity of their homes; the regulation of the transfer or termination of contracts; the repatriation of workers; and the limitation of the maximum period of service in any re-engagement contract entered into on the expiry of a contract.

The policy and the laws of the Union are substantially in accordance with the provisions of this Draft Convention, with the exception of the Article (No. 3), which stipulates that labour contracts for six months or over must be in writing. In the Union the validity of oral contracts for periods up to twelve months is recognised, and as there is little prospect of legislation being introduced during the existing state of emergency to amend the laws to conform to the requirements of the Article in question, the Government is unable to ratify the Convention for the present.

Draft Convention (*No.* 65) *concerning Penal Sanctions for Breaches of Contracts of Employment by Indigenous Workers.*—States Members which ratify this Convention undertake to abolish progressively and as soon as possible all penal sanctions for any breach of contract to which the Convention applies.

The provisions of this Draft Convention are contrary to the law and practice in the Union, and ratification is accordingly not contemplated.

Draft Convention (*No.* 66) *concerning the Recruitment, Placing and Conditions of Labour of Migrants for Employment.*—This Convention provides for the maintenance by those State Members which ratify it, of an adequate service to supply information and provide assistance to emigrants and immigrants. The service includes, *inter alia*, the supervision of propaganda and other publicity; the regulation of recruitment for employment; the supervision of contracts of employment and of the placement of workers; and the responsibility for certain safeguards in connection with the subsequent repatriation, where necessary, of migrants.

As there is no large scale regulated migration in South Africa, other than that of native labour which is specifically excluded from the scope of the Convention, the problems envisaged do not exist to any appreciable extent in the Union, and the action required under the terms of the Convention is not called for. Ratification is accordingly not being effected. (For further particulars, see the report of the Leader of the Delegation, given above.)

Draft Convention (*No.* 67) *concerning the Regulation of Hours of Work and Rest Periods in Road Transport.*—In this Convention, the hours of work of persons covered by its provisions are limited to forty-eight per week and eight per day. Various other provisions relating to the regulation of the hours and rest periods of professional drivers of vehicles engaged in transport, and of their assistants, are also prescribed, but as stated above in the report of the Leader of the Delegation, in a country such as the Union, with its concentration of population at comparatively few centres widely scattered in sparsely populated areas, the regulation of employment of this nature in the manner laid down in this Convention is impracticable. Ratification is accordingly not being effected.

Recommendation (*No.* 57) *concerning Vocational Training.*—In this document, Conference recommended to States Members the establishment of a system of free education which would afford the workers adequate opportunities for developing their technical or trade knowledge.

The desirability of providing free admission to technical and vocational schools s recognised by the Union Geovernment, but under the present administration free admission is restricted to children of needy parents only. Complete free admission would involve a financial burden which, up to the present, the State has been reluctant to shoulder. Technical colleges are semi-autonomous institutions, and the charging of tuition fees is an essential feature of the present basis on which subsidy is paid to them by the Government.

In so far as Europeans are concerned, however, the Union may be regarded as being generally in compliance with the spirit and the intention of the Recommendation, if not with every detail thereof; even as regards the question of free admission to technical and vocational schools, compliance is obtained with the intention of the provision, which is to ensure that children should not be deprived of such training on financial grounds.

But as regards non-Europeans the position is otherwise. The Recommendation appears to be based on the assumption that education of a general character is compulsory for *all* children. Compulsory education in the Union, however, does not apply to non-Europeans, nor in existing circumstances is there a likelihood of active steps being taken towards making either preliminary general education or subsequent vocational training generally available to them; though this migh be an ultimate ideal, it does not come within the realm of practical politics at present.

No legislative or other action is accordingly being taken now to make effective those provisions of the Recommendation with which the Union is not already in compliance.

Recommendation (*No.* 58) *concerning the Maximum Length of Written Contracts of Employment of Indigenous Workers.*—States Members which have ratified the Contracts of Employment (Indigenous Workers) Convention (see No. 64 above) are recommended to take certain principles into consideration in fixing the maximum period of service. The main principles enumerated are: the maximum period of service should always be as short as possible, and where a long and expensive journey by land or sea is involved, should not exceed two years if the workers are not accompanied by their families, or three years if they are so accompanied, while if no such long and expensive journey is involved, the maximum periods should be twelve months and two years respectively; where the period of service is twelve months or more, a worker should be granted a holiday with pay of at least one week.

In so far as Union and Protectorate Natives are concerned, contracts of service rarely, if ever, exceed twelve months' duration, while natives from extra-Union territories are limited to contracts of a maximum of two years. The provisions of the Recommendation are, however, contrary to the existing Masters and Servants Laws of three of the Provinces of the Union; in the Cape and the Transvaal, the validity of written contracts for periods up to five years is recognized, and in Natal, such contracts may be entered into for periods up to thirty-six months. Further, the principle of a holiday with pay for Natives has not yet been generally accepted in this country, and there is no legislation on these lines.

It is therefore clear that in order to put into effect the provisions of this Recommendation, extensive amendments to existing statutory enactments would be necessary. The introduction of such legislation at the present time would not be opportune, and no action in connection with this Recommendation is accordingly being taken by the Union.

Recommendation (*No.* 59) *concerning Labour Inspectorates for Indigenous Workers.*—This document recommends to States Members the establishment of labour inspection services in any territories where such services do not already exist.

The Recommendation is in keeping with the spirit of existing Union legislation (*vide* Section *eighteen* of the Native Labour Regulation Act, No. 15 of 1911), but up to the present it has been possible to establish Labour Inspectorates only in labour districts proclaimed under the provisions of that Act, and in certain other mining areas in respect of Natives who are "Native Labourers" within the meaning of the Act.

Recommendation (*No.* 60) *concerning Apprenticeship.*—In this document Conference recommended that the States Members of the International Labour Organisation should take into consideration a number of principles and rules, which aim at making apprenticeship as effective as possible in trades in which this system of training seems necessary. The Union Apprenticeship Act, together with the Regulations thereunder, cover the entire scope of these provisions, with the exception of those dealing with examinations, remuneration during sickness and holidays with pay.

The Recommendation lays down that "Provision should be made for the holding of examinations of apprentices on the expiry of the period of apprenticeship and, where necessary, in the course of apprenticeship. . . ." Experience in South Africa has shown that examinations held during the course of apprenticeship are preferable to one held on the expiry of such period, and it is not considered advisable or desirable to attempt to alter the system.

As regards remuneration during sickness, and holidays with pay, the Recommendation requires that where there are no laws or regulations upon the subject, or the laws or regulations do not apply to apprentices, provision should be made in the contract of apprenticeship for these two benefits. In the Union there is no general legislative enactment providing for sick and holiday pay, but in so far as apprentices are concerned, the question of the incorporation in their contracts of a provision entitling them to annual paid leave is receiving consideration.

The Union is, however, already in compliance with the spirit of the Recommendation and with all its provisions, with the exception of those specified above. The document, as its title implies, contains a number of principles and rules which members are recommended to take into consideration and full compliance with every individual provision is, therefore, not essential for the general adoption of the Recommendation as a whole, as is the case in the ratification of a Draft Convention.

The Union Government has accordingly formally adopted this Recommendation.

Recommendation (*No.* 61) *concerning the Recruitment, Placing and Conditions of Labour of Migrants for Employment*, and *Recommendation* (*No.* 62) *concerning Co-operation between States relating to the Recruitment, Placing and Conditions of Labour of Migrants for Employment.*—These two Recommendations are dependent on and supplementary to Draft Convention No. 66 above, and as the provisions of the latter are not applicable to the Union, it follows that the provisions of the Recommendations are equally inapplicable, and in consequence no action in their connection is being taken.

Recommendation (*No.* 63) *concerning Individual Control Books in Road Transport : Recommendation* (*No.* 64) *concerning the Regulation of Night Work in Road Transport ; Recommendation* (*No.* 65) *concerning the Methods of Regulating Hours of Work in Road Transport, and Recommendation* (*No.* 66) *concerning Rest Periods of Professional Drivers of Private Vehicles.*—All four of these Recommendations are supplementary to Draft Convention No. 67 above ; No. 63 aims at facilitating the enforcement of the provisions of the Convention ; No. 64 stresses the desirability of regulating night-work done in connection with road transportation, while No. 66 brings to the notice of States Members the desirability of drawing up regulations providing for the minimum daily and weekly rest periods for chauffeurs in private employment.

In each case, the same arguments apply against adoption as do in connection with the ratification of the Draft Convention. In addition, as regards the last mentioned Recommendation, the practice is to regard such chauffeurs as domestic employees ; generally speaking, they live on the residential premises of their employers and are frequently employed in dual capacities, their duties as chauffeur being combined with those of gardeners or other domestics, thus further complicating the possibility of regulating their hours of work and rest periods.

As regards No. 65, this Recommendation contemplates the encouragement of voluntary joint collective machinery established by agreement between employers' organizations and trade unions, or failing this the establishment of statutory machinery operated in consultation with such bodies for the purpose of promoting the effective regulation of the weekly and daily hours of persons to whom the Convention applies. The hours of work of persons engaged in road transport are in fact already under State control in certain areas in the Union by means of collective agreement under the Industrial Conciliation Act, 1937, and in addition the necessary machinery under the Wage Act, 1937, which operates in consultation with employers and trade unions, has been set up, but as this Recommendation is merely supplementary to the Draft Convention, and the persons to be covered by its provisions are those falling within the scope of the Draft Convention, the necessity for taking action in this connection does not arise.

Position of the Union in Relation to International Labour Conventions.—The number of conventions ratified by the Union is now eight, one of which (No. 4, concerning the Employment of Women during the Night) it has since denounced, owing to the fact that the original was replaced by an amended version which the Union ratified. Further particulars regarding the Conventions ratified will be found in the departmental annual reports for 1936, 1937 and 1938.

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